

# The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, AUGUST 28, 1931



YOU CAN CLEAN UP WITH OUR POLICIES

WRITE FOR GENERAL AGENCY PROPOSITION  
AND TERRITORY

**RESERVE LOAN LIFE**  
**INSURANCE COMPANY**  
**INDIANAPOLIS, INDIANA.**



# How The Equitable is Advancing the Cause of Life Insurance through A Comprehensive and Inclusive Service for Agents and Policyholders

## HOME OFFICE CO-OPERATION

Expert Field Supervision and Assistance  
Comprehensive Canvassing Material  
Weekly Agency Periodical  
Personalized Letter Service  
Policyholders Service Campaigns  
Policyholders Change of Address Service  
Home Office Leads for Business  
Century Clubs and Million Dollar Corps

Training Facilities:  
Preliminary Training Course  
Correspondence Course  
Field Schools  
Specialist's Courses  
Specialized Sales Service  
A Department of Conservation  
Contributory Group Insurance for Agents

## COMPLETE LIFE INSURANCE AND ANNUITIES

An Equitable Policy for Every Need  
Special Business Insurance Material  
Corporate and Absolute Owner Form of Policy  
Inheritance Tax Service  
Annuities—Regular  
Refund  
Retirement Annuity  
Convertible Policy  
Educational Fund Agreement  
Salary Continuance Agreement  
Life Income and Instalment Policies  
Guaranteed Investment Policy  
Preliminary and Initial Term  
Economic Adjustment Policy

Non-Medical Insurance for Policyholders  
Rural Non-Medical for Non-Policyholders  
Disability (Income for Economic Death)  
Double Indemnity for Accidental Death  
Monthly Premium  
Home Purchase  
Bequest Insurance  
Salary Savings  
Insurance for Women and Minors  
Sub-standard Business  
Group Life Insurance  
Group Disability  
Group Accident and Health  
Group Pensions

Free Health Examination Service for Policyholders

72 YEARS OF LIFE INSURANCE LEADERSHIP . . . THE FINANCIAL SERVICE OF A BILLION DOLLAR COMPANY

# THE EQUITABLE

## LIFE ASSURANCE SOCIETY

### OF THE UNITED STATES

THOMAS I. PARKINSON, PRESIDENT

393 7th Avenue New York, N. Y.

*A Mutual Company with over Two Million Members insured for over Seven Billions*

# James Fieldman Knows His Prospects



## « « « He Meets Them by Mail!

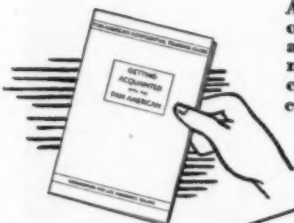
James Fieldman is any one of the hundreds of busy Pan-American Representatives in the Company's territory of twenty-five states. He meets the same selling problems as yourself — but through the Pan-American's field helps, these problems become mere details of the day's work.

The prospect question is not a great source of worry to "Jim" Fieldman. Pan-American prospect systems not only qualify prospects as such, but arrange interviews with them in advance! Jim's prospects know him although they may never have seen him. He is graciously welcomed on even his first calls. Jim meets his prospects by mail!

Pan-American prospect systems help sell millions of new insurance each year for "Jim Fieldman". That's why so many new individual producers have joined the Pan-American field offices in nineteen-thirty one.

### "Getting Acquainted with the Pan-American"

Any Pan-American Manager or General Agent will send you a copy of this booklet or if more convenient you can secure one by mailing the coupon.



Ted M. Simmons, Manager United States Agencies,  
Pan-American Life Insurance Company,  
New Orleans, U. S. A.  
Please send me a copy of the booklet "Getting Acquainted with the Pan-American".

TED M. SIMMONS,  
Manager United States Agencies

**PAN-AMERICAN LIFE INSURANCE CO.**

CRAWFORD H. ELLIS  
President

NEW ORLEANS, U.S.A.

E. G. SIMMONS  
Vice-Pres. and General Manager

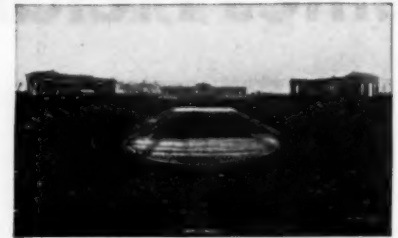






Left: Wrigley Field, home of the Chicago Cubs. Here thousands of baseball fans gather in season to cheer on the city's National League diamond heroes. "Play ball!"

Photo courtesy  
Chicago Daily News



Soldier Field, dedicated in 1926, scene of many brilliant outdoor spectacles. Much football history has been made here. Field Museum appears in center background. . . .



Scene at Diversey Beach, Lincoln Park, on the near north side. Chicagoans go down to their "front yard" for swimming and boating. . . .



A quiet day on the beach. Sometimes Chicago's beaches are crowded with nearly a quarter of a million people. . . .

## A City at Play

RECREATION is "re-creation." Mind and body to perform efficiently require rest and play. The well-organized city accepts as a duty the making possible of these necessary functions. Chicago affords Chicagoans a host of recreational advantages. Parks, playgrounds, athletic fields, tennis courts, golf courses, beaches and bridle-paths are but a few. These facilities furnished by the city, plus privately operated amusements, allow Chicagoans ample opportunity for fun and relaxation. And these privileges, be it known, are not neglected! Chicago plays as Chicago works—hard, enthusiastically and intelligently. . . .

**ILLINOIS LIFE INSURANCE CO.**

ILLINOIS LIFE BUILDING CHICAGO 1212 LAKE SHORE DRIVE

Raymond W. Stevens, *President*

**CHICAGO**

*A Good Place to Live  
A Good Place to Work*



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Fifth Year No. 35

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 28, 1931

\$3.00 Per Year, 15 Cents a Copy

### Life Companies Seek New Pasture

Many Are Finding It Advantageous to Seek Local Insurance Agents

#### OPEN NEW DEPARTMENT

Find That Line Can Be Worked Successfully if Special Man Is in Charge

Local and general property insurance agents are being solicited more and more to represent life companies. Many of the life companies, particularly the smaller or moderate sized institutions of the middle west, are shaping their agency development programs in the direction of making contracts with established local agencies.

Although many local agencies have been representing life companies and engaging in the life business for years, hundreds of others have more or less recently been attracted to the idea of representing life companies as a means of bolstering their incomes, which from fire and casualty sources have been declining.

#### Activity of Smaller Companies

The smaller and medium sized life companies seem more interested in these arrangements than do the large eastern companies. Probably this is because the eastern companies are pretty thoroughly planted where they want to be planted and have going general agencies and branch offices in strategic points. Most of the smaller companies, however, are still pioneering, opening new territory and concentrating in old territory. Some of them are finding that the practice of planting in local agencies is less expensive than any other method.

Some life companies that are developing in this direction say that it is useless to plant in most local agencies unless a life department is created, and the right man selected to head that department. This company usually finds a life man and introduces him to the local agent who is receptive to a contract. The life company attempts to have the local agent employ the life man.

#### Local Agents Become Interested

A number of local agents are becoming interested in life insurance affairs and may develop into real factors in the business and in the affairs of organized life insurance agents. For instance, at the agency convention of the Columbus Mutual Life in Toledo recently, there were two well known local agents on the program. There was Wade Patton of Hutchinson, Kan., who is very active in the affairs of the Kansas Association of Insurance Agents, being its secretary, and Fred Swisher of Pratt, Kan., who is also one of the leaders in the Kansas

(CONTINUED ON PAGE 24)

### Mistake to Enter A. & H. Field, C. A. Craig Asserts

C. A. Craig, chairman of the board, National Life & Accident of Nashville, comes out this week in THE NATIONAL UNDERWRITER forum on disability, favoring abolition of the income disability benefit. A great mistake, he believes, was made in entering the health and accident field and it would be poor policy to continue in it even with modifications and restrictions.

The views of a well known western executive, who prefers not to be quoted by name, are also presented. This official terms the income disability venture "a terrible failure." He prefers abolition of the clause, but if this is not done, he advises very drastic changes.

Also, the president of an Ohio company, who desires not to be named, would approve concerted withdrawal from the disability field.

The executive of another Ohio company fears that it would be difficult to discontinue issuance of income disability.

Another statement is from the president of a company in the central west, who feels that changes in the clause are imperative.

The views of Mr. Craig on the disability question follow:

#### Waiver of Premium Is Proper Limit of Cover

"I have never believed that life insurance contracts should go further in benefit for total and permanent disability than a waiver of premium, and that it would be better not to have gone this far than to have gone to present lengths. You ask what mistakes have been made and what should be done about them?

"A great mistake, in my opinion, was made in entering the field of health and accident insurance, in leaving a field charted and compassed to a wellnigh mathematical certainty and entering upon one impossible because of moral hazard of being charted with any degree of certainty, in entering this new field in such a way as to increase a hazard that cannot be measured, by vying one with another in rates and liberality of conditions. Human nature runs with fair consistency through all the social groupings. Always, in every class, there are those who will be ill and disabled if such conditions be made profitable. Cupidity stretches back as far as history records. If these premises are correct, then it is a mistake to issue noncancellable contracts without a pro rata clause, but I am of the opinion that even with such a clause the field of health and accident insurance should be left to the companies dealing particularly with this class of business.

#### Other Causes May Explain Recent Marvelous Growth

"You must see from this that in my opinion the only wise course for the companies to pursue is to abandon this field of proven uncertainties. We have temporized enough with a practice that is fundamentally unsound. This view has long been held by many who adopted the practice under pressure of competition and it is not unnatural for

these to hope that through the unfortunate experience of some who led the way in this new undertaking a way out may be found. There are of course those who deny the unsoundness of the practice. They dwell much upon the obligation of the companies to supply a substantial need and some point to the marvelous growth of the business since the practice was adopted. Substantial needs are of course many and varied. Why stop with benefits for total and permanent disability when experience has shown that in many cases adjusted neither of these elements was present? As to the growth of the business in recent years, are there not other causes to which this may certainly be attributed; and again, if the practice be unsound, as so many believe it to be, and fraught with so many uncertainties as experience has shown it to be, may not marvelous growth be something not to be desired.

"Companies are not obligated to do anything without reasonable assurance of its safety. Rather are they obligated not to do such things, and certainly there is evidence of high probative value on the side of unsafety in this practice. We hold that practices of doubtful safety, and with more emphasis those of proven danger, are unsound, if not altogether improper, elements in competition. Advantage thus gained is but temporary. It remains only so long as rivals in such methods refrain from braving still greater dangers.

"Let life insurance companies remain in their chosen field, leaving to others such substantial needs as health and accident insurance. If there be those of us who have been lured into this new field by the desire for volume, let us weigh more carefully the rights of policyholders who do not participate in the benefits of this form of insurance, but who, in many cases, pay the losses caused by it, and then let us forever turn a deaf ear to any plan that does not promise with a high degree of certainty equitable benefits to all classes of policyholders."

#### Quotes Gain, Loss Data Because of Disability

The observations of a western executive, who terms income disability "a terrible failure" are as follows:

"I was for a number of years on the American Life Convention disability committee and I believe we have contributed something towards the study of disability benefits. Each time the committee has reported it has recommended curative measures and I like to think we have had some influence in keeping down the losses amongst the smaller western companies who as a class have not been nearly so badly hurt as the larger eastern companies.

"I have just been looking over the gain and loss returns in Best's Report for last year. I haven't even bothered to check the figures or to look for reasons in individual cases but you may be interested in the summary which shows that 142 companies reported a gain from

(CONTINUED ON PAGE 23)

### Sees Investment Problem Difficult

Company President Considers Only AA-1 Bonds Sufficiently Safe at Present

#### CITY REALTY HAZARDOUS

Heavy Tide of Urban Foreclosures Changes Picture This Year—Farm Situation Unsolved

One of the most difficult company administrative problems at this point two years after the 1929 stock crash is that of investing huge funds conservatively and yet at a satisfactory yield. It is safe to say that this question, which is on a parity with aggressive sales promotion and profitable underwriting, is troubling executives quite as much as any other problem and perhaps a little more.

With funds safely and profitably invested, established companies could manage to stagger along for a considerable time without much new business, merely by conserving that on the books. But in this stage of the national depression an error in judgment on the investing side might, in the case of some companies, mean ruin, and for all it would bring depreciated surplus.

#### Company President's Views

The immediate outlook is glum, according to a company president who is a keen student of the situation and personally supervises his company's investments—so glum, in fact, that he has dictated a policy being rigidly followed, only AA-1 bonds.

He believes nothing else at this juncture carries the necessary factor of safety with reasonably high yield. He admits, however, that adherence to the policy means sacrifice of considerable return and a net yield of probably not more than 4 or 4½ percent.

Farm first mortgages, no matter what the ratio of loan to sound value, are unusually dangerous now, he believes. He is in close touch with the agricultural situation and sees no hope of the pressure being relieved very soon in that quarter.

#### Farm Loans Doubtful

Purchasers of first farm mortgages, he believes, will have to foreclose on many farms for some time to come because, he says, farmers as a class are not in a position to pay interest, installments on principal, taxes and also live in reasonable comfort on the present alarmingly low prices for farm products.

City real estate, which is interesting many carriers that have been forced to curtail farm loans, is in little better position. This executive sees a growing tide of foreclosures on city loans, per-

(CONTINUED ON PAGE 24)

## G. R. Allen Is Advanced to Head Fraternal Congress

### BIG TURNOUT AT MONTREAL

Investments of Societies in Good Condition; Business Holding Up Well, Reports Indicate

The annual meeting of the National Fraternal Congress at Montreal was marked by an unusually large attendance, considering the distance which most of the delegates had to travel to get there. The fraternal benefit societies are in a favorable position, reports indicated, and their investments, narrowly restricted by state laws, are in good condition. Most of their business, written in small amounts on a large diversification, is holding up well—even their total disability loss experience is not unsatisfactory, it was brought out. While their new business has been difficult to get in these times, most of those present expressed gratitude over the results. Another feature reflected by the convention was that the writings of juvenile insurance are greatly in excess of former years, and since about 90 percent of the insureds graduate into the adult class with increased insurance, it is the stimulating factor of fraternal operations today.

Judge Tom L. McCullough, president Praetorians, Dallas, Tex., concluded his term as president of the congress. During his year there was a great impetus given to new legislation, and the result was that the N. F. C. A. uniform bill was enacted by the legislatures of a number of important states. Judge McCullough arranged the program of the Montreal convention and presided over its sessions, and he gave the delegates the unusual experience of having the deliberations conclude a day earlier than in former years.

#### Statutory Legislation Report

Arthur W. Fulton, general counsel Security Benefit Association, gave the report of the committee on statutory legislation. He condemned those societies which resist progressive legislation.

Probably the outstanding report was that of J. V. Abrahams, Topeka, in which the welfare activities of the societies were reviewed. That fraternal insurance today is marked by reserves to safeguard its integrity is becoming well known, but that the homes, orphanages, hospitals, sanatoria and relief and education funds are an important part of their service is not so well advertised. Mr. Abrahams made a survey of this service among the societies and submitted a printed and illustrated brochure. It showed that the societies relieve the states of a large amount of charitable burden, and upon this fact the societies maintain their claim for tax exemption.

A. A. Bentley, president Fidelity Life Association, gave a report on junior insurance, relating the large increases in this business and the rapidly growing figures of new writings of juvenile insurance.

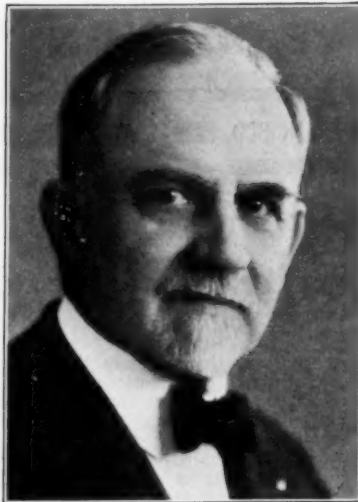
#### Aggregate Assets Up

The report of the committee on state of the orders and statistics showed that the aggregate assets of the members had increased from \$250,575,000 on December 31, 1920, to \$766,562,000. Sixty-eight of the 89 societies value their business on the American experience table.

A delegation representing a group of Slav fraternal insurance orders headed by Peter J. Jurchak conferred with the executive committee, asking for recognition. Arrangements were made for a number of such organizations to join and their group may maintain their separate status and hold meetings without forming a new section of the organization.

D. J. Finlayson, Dominion insurance commissioner, complimented the fraternalists upon removing an unsound

## Official Host of the State Commissioners



A. H. AVERILL

A. H. Averill, insurance commissioner of Oregon, will be the official host at the forthcoming meeting of the National Convention of Insurance Commissioners at Portland the week of Sept. 14. Mr. Averill took his seat some months ago, succeeding Clare A. Lee, who was second vice-president of the commissioners' association. Mr. Averill attended the meeting held in Chicago in June and impressed all with his cordial good nature.

insurance system and substituting therefor one on a reserve basis. He said that 24 societies of the United States are operating in Canada, and 11 of them have been admitted in the past five years.

George R. Allen, Lawrence, Kan., president Fraternal Aid Union, was advanced from the vice-presidency to the presidency, following a tradition of the organization. A lawyer who has practiced fraternal insurance law for 28 years, and who is the chief executive of a large society, he is well equipped for the position.

#### Mrs. La Rocca Vice-President

Mary E. LaRocca, Omaha, Neb., national president Woodmen Circle, a large women's society, was elected vice-president and undoubtedly will be advanced to the higher honor next year.

Secretary-treasurer Thomas H. Cannon, high chief ranger Catholic Order of Foresters, Chicago, was re-elected to the position, and Executive Secretary Frances R. Leahy was selected again for that office.

The new executive committee is composed of Tom L. McCullough, Dallas, president Praetorians; J. C. Karel, Milwaukee, president Equitable Reserve Association; Dr. Hada M. Carlson, Rock Island, supreme physician Royal Neighbors of America; Dr. Felix Gaudin, New Orleans, supreme president Catholic Knights of America; Bradley C. Marks, Fargo, grand master A. O. U. W. of North Dakota; and S. H. Hadley, Sharon, Pa., president Protected Home Circle.

#### Commissioner Finlayson Speaks

G. D. Finlayson, Canadian insurance commissioner, predicted in his address to the congress that the important part played by the societies in the past would be reproduced in the future, although possibly the insurance feature would not loom so large. The great appeal of the society in the future may be on the broad basis of fraternity instead of the narrow basis of business, he said.

Appeal of the fraternal society has weakened, Mr. Finlayson declared, despite the fact that fraternalism has largely removed the vulnerable point

## Financial Section Program Presents Good Features

### G. C. HOLMBERG WILL PRESIDE

Interesting List of Speakers Will Discuss Topics of Vital Interest to Companies

Financial problems of life insurance companies developed by the continued general depression and the plight of agriculture will be prominent in the program for the annual meeting of the financial section of the American Life Convention to be held at the William Penn hotel, Pittsburgh, Pa., on the night of Oct. 7.

The main meeting of the convention will be preceded by the Legal Section sessions on Oct. 5-6.

G. C. Holmberg, treasurer, Northwestern National Life, is chairman, and R. T. Byers, vice-president, American Central Life, secretary of the financial section. In the preparation of the program for this meeting of the financial section, much thought was given to selecting program subjects of current and general interest to life insurance financial officers.

Wood Arnold, vice-president, Kansas City Life, will be the first speaker on "City Loans as Life Insurance Investments." In recent years more and more life insurance funds are finding their way into the urban realty markets in loans on business properties, hotels and apartments, residential property, etc.

#### Farm Loans to Be Discussed

No gathering of large investors would be complete without some discussion of farm financing, the present situation as to farm loans and the future possibilities of this medium for investing life insurance funds. This fact was recognized by Chairman Holmberg and he induced G. W. Fowler, vice-president and treasurer, Bankers Life, Des Moines, Ia., and S. F. Westbrook, vice-president Aetna Life, to address the section on farm financing subjects. Mr. Fowler will discuss "Future Farm Financing" while the subject assigned to Mr. Westbrook is: "The Farm Loan and Farm Land Situation."

#### MacDonald to Speak on Bonds

For years bonds of various kinds have been one of the big items in a well-balanced life company investment portfolio. So "Bond Investments" by C. S. MacDonald, president and general manager, Confederation Life of Toronto, should prove one of the outstanding papers.

L. E. Wakefield, president, First National Bank of Minneapolis, one of the outstanding bankers and financial leaders of the northwest has been selected as the financial section's speaker at the main meeting of the American Life Convention to be held the morning of Oct. 8. While Mr. Wakefield is speaking Mr. Holmberg, as chairman of the financial section, will conduct the gathering of the main convention.

in its constitution, an unsound insurance system. With improved systems of transportation, new forms of entertainment, modern ways of life; with increasing prosperity and indulgence, the spirit of fraternalism and interest in one's fellow man has suffered, he pointed out.

Mr. Finlayson said that no matter whether the volume of insurance in force increases, the societies have the satisfaction of knowing that they are accomplishing the objects which were uppermost in the minds of their founders.

A. L. Goldsmith has been appointed manager of the Fidelity Mutual at Scranton, Pa., with offices in the Select building. R. M. Hance has been appointed manager at St. Joseph, Mo., with offices in the Empire Trust building.

## Michigan Plan for Public Enlightenment Is Explained

### KIES TELLS ABOUT THE WORK

State Life Underwriters Association Has Undertaken a Comprehensive Educational Campaign

Glenn S. Kies of Lansing, Mich., general agent of the Ohio National Life, is chairman of the education committee of the Michigan Life Underwriters Association. Much has been heard of the "Michigan plan" adopted by the organization. Mr. Kies in explaining it declares that every state is spending large sums in educating its people as to the importance of good health. Little is being done, however, toward presenting the importance of providing financial reserves. The present Michigan governor was elected on a platform of tax reduction. It has been difficult, owing to this protest against present taxes, to interest the state government in the idea of educating the public as to the greater use of life insurance as an agency to provide financial independence of the individual.

#### Important in Social Welfare

Mr. Kies says that the school people, while sensitive to the shortcomings of life agents, some of whom were poorly qualified to act as counsellors, yet can see in the work of the life underwriter something really constructive along social welfare lines. Last year over \$2,333,333 from the 2 percent tax on life premiums in Michigan was paid to the primary school fund and the advancement of educational facilities. The people are in favor of using a small portion of the tax money for education as to uses of life insurance in providing for financial independence.

#### Want Topic Treated in the Schools

Briefly the Michigan plan, which has been developed by the Michigan Life Underwriters Association is to have the subject, "Your Financial Reserves," taught in high and normal schools as well as other schools for adult education. Subsequently bulletins dealing with the different uses of life insurance will be ready for distribution through the state insurance department and the department of public instruction. Mr. Kies states as life insurance is taken out of the commercial category and put in the field of social welfare work it becomes necessary to change the attitude of those selling life insurance. Therefore a large number of Michigan agents are preparing themselves to pass the C. L. U. examination.

At the annual meeting of the Michigan Life Underwriters Association, the Kiwanis club was giving its luncheon on the day of the state convention. It invited the delegates to the luncheon.

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## Miller Appoints Body to End Maligning of Agents

President C. S. S. Miller of the Insurance Advertising Conference, announces the appointment of a "frontier safety" committee to protest improper treatment of insurance agents by cartoonists and magazine writers. "It is time they stop treating the insurance salesman like a hound dog," Mr. Miller declared. "We don't object to a little good natured humor any more than anyone else, but we naturally do not like to have aspersions cast upon the men who are selling our product." Membership of the committee will be announced shortly, according to Mr. Miller.



## Finishing Touch Put on Program

Entertainment Plans for the National Convention of Insurance Commissioners

### AVERILL IS THE HOST

Oregon and Portland Will Offer Some Attractive Features for This Romantic Trip

PORTLAND, ORE., Aug. 27.—Plans are rapidly taking shape for the sixty-second annual meeting of the National Convention of Insurance Commissioners to be held at Portland, Ore., Sept. 14-17.

The Rocky Mountain and Pacific Coast states division of the convention, of which Commissioner H. O. Fishback of Washington, is chairman, meet Sept. 12, when problems of especial interest and concern to this territory will be discussed and a report prepared for presentation to the convention proper.

Headquarters have been established at the Multnomah Hotel and registrations are pouring in on the hotel, A. H. Averill, Oregon commissioner and official host, and the general committee say.

#### Arrange for Entertainment

This being the first holding of the annual meeting of the convention in the Pacific northwest territory since 1924, Portland, Seattle and the major cities of the Pacific Coast are arranging attractive programs for the entertainment and diversion of the state officials, their official families and guests.

As the special trains carrying the commissioners and guests will be routed northward the insurance interests of Seattle and Washington have planned an excursion to Rainier National Park and other points of interest en route to Portland. After the convention, the commissioners will journey southward and many will attend the convention of the National Association of Insurance Agents at Los Angeles Sept. 21-25.

#### Chief Oregon Entertainment

The chief entertainment attractions to be provided by Portland and Oregon will be specially arranged and conducted sight-seeing trips in and about Portland and an excursion on the Willamette and Columbia rivers on the afternoon of the opening day; a banquet given by the Oregon insurance fraternity Tuesday evening, and an optional all-day motor trip over the Mt. Hood Loop and the Columbia River Highway, culminating with an elaborate dinner at the Columbia Gorge hotel, or an all-day tour of the principal Oregon seaside resorts with luncheon enroute. This later trip will cover a loop of over 260 miles. All motor trips will be provided with special state and city police escorts.

Special luncheons have been arranged and many of the commissioners have been extended invitations to address commercial and civic organizations during their stay in Portland. The general committee on arrangements and entertainment, of which W. C. Schuppel, executive vice-president of the Oregon Mutual Life, is chairman, is holding weekly meetings for the working out of essential details. A committee of prominent women of the state and city will provide special entertainment for the ladies.

On the southern trip opportunity will be given to view many of the natural grandeur of Oregon most prominent of which is Crater Lake, located in south-

## Life Companies' Semi-Annual Figures As Filed in Georgia

**National Life, Vt.**—Assets, \$138,342,375; surplus, \$8,140,117; insurance in force, \$620,923,874; income, \$14,047,761; disbursements, \$10,339,368.

**Aetna Mutual—Assets**, \$41,635,971; surplus, \$1,590,895; insurance in force, \$361,507,399; income, \$6,086,242; disbursements, \$3,515,893.

**Guardian Life—Assets**, \$87,648,660; capital, \$200,090; surplus, not stated; insurance in force, \$512,737,444; income, \$11,392,839; disbursements, \$7,942,372.

**Metropolitan—Assets**, \$3,447,161,986; surplus, not given; insurance in force, not stated; income, \$463,371,991; disbursements, \$329,493,338.

**Equitable Life, N. Y.**—Assets, \$1,348,505,122; surplus, \$109,269,171; insurance in force, \$7,145,744,616; income, \$194,821,176; disbursements, \$130,437,140.

**Travelers—Assets**, \$651,313,751; capital, \$20,000,000; surplus, \$24,007,124; insurance in force, \$4,825,574,591; income, \$102,103,781; disbursements, \$54,507,249.

**United Benefit—Assets**, \$1,513,853; capital, \$300,000; surplus, \$204,299; insurance in force, \$43,018,427; income, \$686,437; disbursements, \$346,644.

**Conservative, W. Va.**—Assets, \$6,609,926; capital, \$325,000; surplus, 498,767; insurance in force, \$39,651,644; income, \$867,310; disbursements, \$705,657.

**Pacific Mutual—Assets**, \$184,977,196; capital, \$5,082,000; surplus, \$9,974,000; insurance in force, \$765,637,000; income, \$21,343,974; disbursements, \$15,048,832.

**Columbian National—Assets**, \$42,538,009; capital, \$2,000,000; surplus, \$1,562,491; insurance in force, \$222,335,307; income, \$4,537,478; disbursements, \$2,476,034.

**Prudential—Assets**, \$2,594,927,842; capital, \$2,000,000; surplus, \$116,648,453; insurance in force, \$15,665,617,897; income, \$334,580,529; disbursements, \$338,443,640.

**Inter-Southern—Assets**, \$22,224,672; capital, \$1,032,555; surplus, \$750,000; insurance in force, \$144,205,000; income, \$4,537,478; disbursements, \$2,476,034.

**Volunteer State—Assets**, \$16,393,238; capital, \$1,250,000; surplus, \$500,000; insurance in force, \$96,696,526; income, \$783,843; disbursements, \$1,600,048.

**Lincoln Reserve—Assets**, \$2,107,290; capital, \$100,000; surplus, \$100,000; insurance in force, \$17,583,754; income, \$276,680; disbursements, \$312,245.

**Union Central—Assets**, \$331,233,502; capital, \$2,500,000; surplus, \$10,716,925; insurance in force, \$1,615,671,980; income, \$34,361,407; disbursements, \$28,557,338.

**State Life, Ind.**—Assets, \$52,289,209; surplus, \$480,444; insurance in force, not given; income, \$5,955,111; disbursements, \$4,973,277.

**Phoenix Mutual—Assets**, \$155,633,380; surplus, \$7,754,322; insurance in force, \$635,454,336; income, \$17,209,446; disbursements, \$11,521,416.

**National Life & Accident—Assets**, \$30,739,475; capital, \$3,000,000; surplus, \$2,575,255; insurance in force, \$332,630,467; income, \$8,983,225; disbursements, \$7,934,200.

**Federal Life & Casualty—Assets**, \$905,342; capital, \$450,000; surplus, \$245,269; insurance in force, not given; income, \$563,719; disbursements, \$546,251.

**Manhattan Life—Assets**, \$20,803,503; capital, \$100,000; surplus, \$868,531; income, \$1,944,217; disbursements, \$1,972,997.

**New England Mutual—Assets**, \$261,526,961; surplus, \$22,425,004; income, \$29,513,727; disbursements, \$21,402,603.

**National Life, U. S. A.**—Assets, \$57,452,991; capital, \$2,000,000; surplus, \$1,454,991; income, \$4,956,317; disbursements, \$4,749,415.

**New York Life—Assets**, \$1,849,138,702; income, \$196,103,295; disbursements, \$136,723,438.

**Industrial Life & Health—Assets**, \$1,336,396; capital, \$260,000; surplus, \$264,320; insurance in force, \$38,965,514; income, \$1,681,747; disbursements, \$1,687,434.

**Northwestern Mutual Life—Assets**, \$961,044,392; insurance in force, \$4,099,343,603; income, \$95,524,425; disbursements, \$77,296,468.

**Maryland Life—Assets**, \$5,853,741; capital, \$100,000; surplus, \$370,019; insurance in force, \$20,640,909; income, \$417,406; disbursements, \$413,541.

**Berkshire Life—Assets**, \$48,099,494; surplus, \$1,594,512; insurance in force, \$23,825,849; income, \$4,808,417; disbursements, \$4,419,509.

## Entertainment Features at Pittsburgh Are Announced

The entertainment features for the annual convention of the National Association of Life Underwriters are taking shape in the hands of the Pittsburgh association.

Wednesday, Sept. 23, there is to be a dance in the ballroom of the William Penn hotel. Thursday afternoon there will be a bus ride through the Pittsburgh park system, beginning at the H. J. Heinz Company, where there will be a guided inspection of the plant and refreshments. For those not caring to take this trip, the golf courses will be open. There will be no general session of the convention Thursday afternoon except the supervisors' meeting, which will be held at lunch from 12 until 3, and the C. L. U. awards.

Women underwriters are invited to gather at the Women's City Club at tea on Wednesday and during the afternoon shopping tours will be conducted.

Thursday evening the banquet is to be held, which promises to be an interesting and colorful affair.

central Oregon in the heart of the Cascade mountains. This lake, six miles in width and of varying hues from light green along the shores to the deepest indigo at the greatest depth, and 1,000 feet below the crater rim, itself from 7,000 to 8,000 feet above the sea, is one of the deepest fresh water lakes on earth and is a geological phenomenon, recognized as one of the wonders of the world.

## Rocky Mountain Directory Is Now Being Distributed

The 1931-32 insurance directory for Colorado, New Mexico and Wyoming is off the press of THE NATIONAL UNDERWRITER and the "Western Underwriter." This is a joint publication of both publishing companies. It gives full insurance information of the so-called Rocky Mountain territory which is growing in importance insurance-wise. There is a large amount of general information regarding companies entered in the states and their statistical record. The body of the book proper gives the insurance agents and the companies represented at all the points in the three states. The Rocky Mountain territory constitutes a field in itself of increasing importance. This work is a reference book for all those interested in insurance in those three states.

### Women Agents Vie for Honors

Mrs. Florence Thompson of the N. B. Weese agency of the Lincoln National Life in Arkansas, has for two successive months led its women agents in paid production. The Lincoln National Life has some notable women agents, including Mrs. Z. Z. Brown, one of the few women to receive the C. L. U. degree; Mrs. Maybel Vigor of Columbus, Mrs. Florence L. Johns of Cleveland, Miss Lotta Moffatt of Los Angeles, Mrs. Rose Krohngold of Cleveland Heights, O., and Mrs. Mollie B. Simmons of Sulphur, Okla., all of whom have had at least one month in the No. 1 position recently.

## Non-Medical Now a Sound Business

Dr. Young of Sun Life's Medical Staff Declares It Is Here to Stay

### ADDRESS FRATERNALISTS

Canadian Official Reports Satisfactory Experience of His Company Under Plan

"Insurance without medical examination has become a permanent feature in life insurance business, for it is healthy and sound and is here to stay." This is the conclusion of Dr. Arthur W. Young, assistant medical director Sun Life of Canada, expressed in his address before the National Fraternal Congress in Montreal.

The Sun Life, Dr. Young recalled, has been issuing non-medical business since 1922 in Canada and since 1923 in the United States. In 1925 the age limits were 17 to 45 and the amount was limited to \$2,000 in one year or a total of \$5,000. In 1925 the age limits were extended to age 50 and the amount for males lives was increased to \$5,000 in one year with a total of \$10,000 without medical examination.

#### Canadian Record Satisfactory

In Canada, he said, the experience under non-medical has been very satisfactory, the mortality experience at the end of 1930 being about 85 percent of that experienced by amounts during the same time on the Sun Life's medically examined business and about 98 percent by policies. Dr. Young pointed out, however, that medically examined business contains policies of large amounts and a fair comparison of the mortality experience cannot be made. Again, he said, when non-medical business is rejected it frequently goes into the medical group at ordinary rate.

In the United States, according to Dr. Young, the non-medical business has been quite satisfactory in the younger ages. Above age 40, he said, there is a notable increase in the rate of mortality, especially in the foreign born central and southern European races. For that reason, the non-medical age limit in the United States has been

(CONTINUED ON PAGE 15)

## Policy Matures at 96; Holder Gets Face Value

One of the few cases in life insurance history where a man has outwitted the mortality tables, is told that he no longer has to pay premiums on an ordinary life policy and is entitled to a check for the face value of the policy plus dividends, is that of E. J. Hopkins, Torrington, Conn., 96 years old. Soon after his 96th birthday, last month, he received a letter from the Aetna Life informing him that his 96 years constituted in insurance reckoning "a lifetime," and that his policy had matured.

No more premiums. A check for \$2,000 plus \$31.89 dividends, on a policy he took out in 1869 and paid a premium on every one of the 62 years to date. He couldn't quite understand why there wasn't another premium due instead of \$2,000 coming in.



## Organized Visual Selling Kit

The enormous advantages of **Organized Presentations** and of **Visual Selling Material** are no longer questioned.

The **Visual Selling Kit** used by field men of the **Federal Reserve Life** contains, among other material, complete organized visual sales presentations for: (1) **Clean-Up Fund**; (2) **Family Income**; (3) **Educational Provision**; and (4) **Retirement Income**.

The proper use of such material is explained thoroughly at the **REGIONAL AGENCY MEETINGS**, regularly scheduled at strategic points in Ohio, Michigan, Indiana and Illinois.

**THE  
FEDERAL RESERVE LIFE  
INSURANCE COMPANY  
KANSAS CITY, KANSAS**

**Mr. Frank M. Hayes, Vice President—Agency Director  
Federal Reserve Life Insurance Co., Kansas City, Kans.**

Sir: I am interested in joining a progressive Agency Organization and will appreciate further information about your Organized Visual Selling Kit, Regional Agency Meetings and other modern Agency plans.

Sincerely,

Name .....

Address .....

### Year's Sales Off 16 Per Cent, Bureau Report Indicates

Ordinary life sales the first seven months of 1931 were 16 percent below last year. This general loss, although more severe in some sections, was experienced by every state. The eastern seacoast states have had the best sales experience in 1931. The New England states have suffered the least and show a loss of only 6 per cent for the seven months. The middle and south Atlantic sections also have had better experience than the average.

#### Feel Loss in West

The loss in sales is now being strongly felt in the west. The three Pacific states, which at the end of seven months of 1930 led all sections of the country in gains in sales, in 1931 have experienced greater losses than the average for the United States as a whole. The largest decreases were in those states which suffered most from the severe drought in the spring.

Figures for July indicate that sales continue to decrease. According to reports made to the Life Insurance Sales Research Bureau, new ordinary business sold in July was off 18 percent. No section of the country recorded a gain in sales and Massachusetts was the only state which equalled the volume sold a year ago. The following table shows a comparison of sales:

	July, 1931 comp. to July, 1930	7 mos. 1931 comp. to 7 mos. 1930
U. S. total.....	82 Pct.	84 Pct.
New England.....	91	94
Middle Atlantic.....	82	86
East North Central.....	80	83
West North Central.....	83	81
South Atlantic.....	84	85
East South Central.....	79	73
West South Central.....	75	77
Mountain.....	80	80
Pacific.....	75	77
<b>Cities</b>		
Boston.....	100	93
Chicago.....	81	87
Cleveland.....	79	83
Detroit.....	84	84
New York.....	82	85
Philadelphia.....	87	90

### Pilot Players Will Appear on Program at Pittsburgh

GREENSBORO, N. C., Aug. 27.—On invitation of R. B. Hull, managing director National Association of Life Underwriters, five members of the Pilot Life staff will reproduce the insurance play, "What Price Policy Loans," at that association's annual meeting in Pittsburgh.

This play, written by L. L. McAlister, an official of the Pilot Life, was given several times locally, the last time in connection with North Carolina Insurance Days in Greensboro. Mr. Hull witnessed the drama at that time. It is based entirely on actual cases in the company's files.

The cast includes the author, L. L. McAlister; T. D. Blair, Pilot agency manager, and Mrs. Blair, Sedgefield; Bart Leiper, Pilot advertising manager; Miss Nell Swaim and Mrs. Clyde Smith.

### Huebner in Oklahoma City

Dr. S. S. Huebner of the University of Pennsylvania will speak Sept. 11 before the Oklahoma City chamber of commerce on "Business Risks and How to Meet Them." It has been designated as life underwriters day.

Dr. Huebner will also address the George E. Lackey agency of the Massachusetts Mutual Life and if connections will permit him to fill an engagement in St. Louis the following Monday, he will address the Oklahoma Association of Life Underwriters at its meeting Sept. 12.

### Detroit Life Cautions Its Agents as to Disability

#### CAREFUL SELECTION NEEDED

#### Information on Actual Income and Other Accident and Health In- surance Is Essential

A. T. Lehman, actuary for the Detroit Life, in the "Detroit Life Builder," gives some advice to agents on income disability.

His first suggestion is for the agent to avoid offering or discussing the income disability provision. "It is interesting to our underwriting committee," Mr. Lehman declared, "to note that some of our biggest producers rarely send in applications asking for the income disability benefit."

Next, Mr. Lehman asks that the agent find out the actual earned income of the applicant and determine whether this income is likely to decrease rather than increase. It should not be of advantage to the assured to become, or remain, disabled.

#### List Other A. & H. Cover

The amount of disability or accident and health insurance already in force or being applied for in all companies should be determined accurately. If the applicant is pyramiding disability benefits by applying to various companies, he is a bad risk for disability and should not be encouraged.

"Size up the applicant," Mr. Lehman says. "Is he the type that might later take unfair advantage of the company in presenting a claim or extending the period of his disability? Every assured who draws benefits unfairly causes a reaction disadvantageous to the honest claimant."

"Do not quote standard rates if your occupational manual indicates a rating. All rates are sufficiently low for the hazards involved."

"Always remember that disability insurance is intended purely as an indemnity to cover actual loss, and not as a retirement annuity. It was never intended to create luxury for an applicant."

Mr. Lehman states that the Detroit Life has fared quite well with income disability but its claim committee is finding it increasingly difficult to handle claims that the clause was not originally intended to cover. He says the company is convinced that more careful selection before policies are issued will assist materially in reducing losses.

### Singer With Greene & Co.

B. W. Singer is now associated with Burton Greene & Co., 100 West Monroe street, Chicago. This firm through Mr. Singer will assist insurance companies of all kinds in financing. Burton Greene & Co. announce that they are in a position to furnish additional capital and surplus and also offer a practical method for reducing lapses and policy loans.

### New Agents Visit Home Office

Twenty new agents of the Connecticut Mutual, some from as far west as Wichita, Kan., were guests at the home office for a three-day conference, the last of a series of 12 such meetings for first and second-year agents.

The program, arranged by F. O. Lyter, assistant superintendent of agencies, included a tour of the building, talks by officers and others on subjects of particular interest to new agents, and discussions on present sales problems.

The visitors were welcomed by President J. L. Loomis. Other speakers on the program were Vice-presidents P. M. Fraser and H. F. Larkin and V. B. Coffin, recently appointed superintendent of agencies.

## Pittsburgh Leader to Be Convention Speaker



H. W. ABBOTT

H. W. Abbott, general agent of the Massachusetts Mutual Life in Pittsburgh, who will speak at the annual meeting of the National Association of Life Underwriters on "Organizing the Buyer to Buy," was educated as a mechanical engineer, spent a number of years in steel plants and the ship building industry and then went with the General Motors as production engineer. In that capacity he was subject to frequent moves from city to city all over the United States. He decided that he wanted to get in a business where he could tell where he was going to live and turned to life insurance. He thought the life insurance problem through and decided that it would be necessary for him to sell \$1,000,000 of business the first year in order to make it worth while for him to stay in that field. He sold his million in ten months and at the end of that time his company asked him to take the Pittsburgh general agency. He had had no experience in agency building and only ten months in life insurance, but in 1927, his first full year as general agent, his organization produced \$5,000,000 as against \$2,800,000 the year before, rising to \$7,500,000 in 1928, \$10,000,000 in 1929, and passing that mark by a considerable margin in 1930.

## Sun Life Man Comments on English Insurance Outlook

A. B. Wood, vice-president Sun Life, is quoted in the Montreal "Gazette" after a visit to England, stating that general conditions in England show little if any improvement over those of last year. Mr. Wood declared, however, that there has been a substantial amount of insurance written this year so far and that is a hopeful sign. The increase does not apply in all sections of the country. Where trade conditions are bad, insurance has naturally declined as well, he pointed out. But the fine business done in other sections more than compensates for local loss.

The Sun Life has written more business this year in England than in 1930, Mr. Wood declared. The Sun Life maintains an administrative office in Great Britain at Trafalgar Square. In addition it maintains branch offices in all the principal cities.

## From I. A. C. to A. L. C.

A number of those who attend the Insurance Advertising Conference in Toronto Oct. 4-7 are planning also to attend the sessions of the American Life Convention in Pittsburgh, Oct. 8.

## Managers Shy at Big Men in Other Lines of Business

### OFTEN FAIL IN INSURANCE

Are Not Able to Make the Grade  
Where It Comes to  
Soliciting

General agents and managers are having many opportunities these days to procure men who have been in other lines of business and who have been fairly well paid. They have been heads of departments, vice-presidents or high officials from banks, brokerage houses, industrial enterprises, mercantile pursuits, and the like. Their concerns have been consolidated or failed or there may have been a curtailment of offices. This seemingly would release to life insurance production a number of valuable people.

However as a practical result managers say that few of these men really develop into first class life insurance agents. When they start the theory is that with a wide acquaintance, many valuable connections and contacts in clubs and business circles, they will have a large list of valuable prospects. They usually write a few cases, chiefly close friends or relatives and then the going is very hard. They are not accustomed to taking punishment or to selling a personal commodity like life insurance. The manager arranges for a drawing account and he soon finds that he is coming out in the small end of the bargain. Therefore a number of managers having suffered a severe experience on account of taking on these men are rather wary of making any new connections of that character. They find that they can get much better results by taking men who are accustomed to hard work on the firing line and those that have had some selling experience.

## Manning of Great West Life Completes Survey of Agencies

H. W. Manning, superintendent of agents of the Great West Life of Winnipeg, is in Chicago this week visiting C. T. Milner, manager, and his staff. Mr. Manning since going with the Great West Life has made a tour of the various offices in Canada and is now finishing a trip through the United States so that when he goes to Fargo to visit Hatcher Brothers, North Dakota managers, he will have completed the long trail and visited every office. The Great West Life is having a fairly good year. Its organization is solidified and in spite of the depression its production is holding up admirably. Mr. Manning was formerly superintendent of agents of the Home Life of New York and is well known to the life insurance fraternity.

## Want Yale Chair Endowed as a Memorial to Elizur Wright

The National Fraternal Congress at its convention in Montreal adopted a resolution favoring a memorial for Elizur Wright, who devised the valuation plan in life insurance. He is given credit for originating and making effective through legislation net reserve valuation, non-forfeiture and cash values. The American Conservation Company of Chicago, which is promoting the memorial, suggests a chair of life insurance endowed at Yale where Elizur Wright and his father before him graduated. This matter will probably be brought before the trustees and faculty in October. The American Conservation Company believes that an endowed chair at Yale will be a constructive and permanent memorial and will be of lasting benefit.

# Circulation

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All insurance newspapers are not alike. They do not all have the same circulation, influence or prestige. Insurance newspapers are just as unlike as people, and have as many different characteristics. Because they do, certain papers appeal to some insurance readers and other papers have a totally different attraction and are read by an entirely different group of readers.

Because this is the case, a company intending to advertise in an insurance newspaper should consider not only the extent of the paper's circulation, but the character of its readers as well. Much is heard about quality circulation, and there is also considerable talk about the importance of having a large circulation. Both of these are vital factors to consider, but few papers are able to offer them both.

The National Underwriter, fortunately, is. It not only has the largest circulation of any weekly insurance newspaper, but it has also a true quality circulation, in that the leading insurance men of this country read it every week. It is, beyond doubt, read by "the best people" in the insurance business. This is no idle boast, but can be verified readily by anyone interested enough to take the trouble.

The National Underwriter is the only weekly insurance newspaper belonging to the Audit Bureau of Circulations. This fact in itself guarantees the extent and geographical distribution of its circulation.

As to the quality of its circulation, think of the twenty people that you regard as the most outstanding and accomplished in the insurance business and then find out from them whether they are reading The National Underwriter. The result of such a private poll on your part will convince you of the quality of The National Underwriter's circulation, if, indeed, you have any doubt.

(Number 4 of a series devoted to the merits of National Underwriter advertising)

«»

# The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor





New York Life Agents' compensation includes "Nylic", a monthly payment beginning after two years' service, based on previous production. This gives them a certain regular income increasing from time to time during the next 18 years, based upon the same annual production of new business. "Senior Nylics" have served a minimum of 20 years and are drawing an annuity, payable in monthly instalments for life, whether they retire or continue in production. Most of them are still active. Some, at 50 to 70 years of age, are doing even a million or more.

#### NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, Madison Square  
New York, N. Y.

## Disability Restrictions Won't Work, Eastern Official Says

The following communication on the subject of disability is particularly significant, being the views of a vice-president of one of the largest eastern companies. This executive comes out unequivocally against income disability, stating serious objections to all restrictions in the benefit which have been proposed to bring about reform. He believes that a life company should restrict its writings in this direction to the waiver of premium. His observations are presented herewith:

Life insurance is the highest and most comprehensive form of insurance. The stability of life insurance companies and the dependability of life insurance contracts are established in the minds of the insuring public. The income disability benefit, as it is now being written by life insurance companies, is simply a form of non-cancellable health and accident insurance—a form of coverage which because of its inherent underwriting weaknesses should not be embodied in life contracts. This judgment is rapidly being formed by the insurance agent, the insurance company, and the supervising insurance official. On the other hand, the waiver of premium disability benefit is a form which has its rightful place in contracts of life insurance. It guarantees the continuance of the contract during the period when the insured is totally and permanently disabled and prevents the lapse of a policy essential to the well-being of his family.

From the standpoint of the insuring public the present situation has developed from a general recognition that the income benefit would be theoretically a desirable service for life insurance companies to render. Experience has demonstrated, however, that it is impossible to issue this benefit without applying underwriting standards far more severe than those necessary in the case of life insurance and without introducing restrictions which necessarily involve administrative practices in connection with question of fact which might well tend to undermine the confidence of the insuring public in life insurance protection.

#### Disability Gives Rich Picking to Pensioner

A fundamental weakness of the income disability benefit is that it offers the potential "pensioner" the opportunity to obtain a sizable benefit with less effort and less danger than under any other form of insurance. This works out badly not only for the insurance company but for the more scrupulous policyholders who under the workings of insurance must pay the cost of claims not contemplated under the contract. For example, a slightly disabled man who could secure reasonable remunerative employment in good times experiences difficulty in securing employment at the present time perhaps because of this partial disability, which, by reason of the situation, is magnified into total disability. Furthermore, a bona fide case of total disability finds greater difficulty in recovering when no gainful occupation which would pay more than the disability income offers itself for his consideration. Past experience of the companies has indicated that it is not simply during times of depression that these claims arise. Companies have learned from experience with this benefit that the cost of these claims not contemplated under the contract produce a heavy part of the total claim cost.

In an effort to improve the situation life underwriters are suggesting various limitations and restrictions in coverage. They say that the benefit even in this restricted form will be better than that obtainable from casualty companies under cancellable health and accident policies and will still leave the income disability benefit a proper supplement to

life insurance protection. In doing this, however, they are limiting the full protection which should be given to the more scrupulous policyholders and are lowering it from the plane of complete protection which life insurance offers.

#### Finds Weaknesses in Proposed Restrictions

Let us consider the probable effect of some of the restrictions which are being proposed. Lengthening the waiting period, say, from four to six months, will have little effect in improving the situation as it is not in the short term claims that the heavy extra cost arises.

It is thought by many underwriters that some form of pro rate clause which will limit the total income benefit to a percentage of the earnings of the policyholder to a specified period preceding disability will be helpful. There are many cases, however, where such a clause would work an injustice to the claimant, as, for example, the policyholder who because of impaired health finds his earnings dwindling, say, in a period from three to five years, until when total and permanent disability comes his past record of earnings during the few preceding years bears no relation to the amount of indemnity for which he honestly contracted when he took out the policy 10 or 15 years earlier. Moreover, the application of such a clause to individual claims involves an investigation and decision as to doubtful facts which will lead inevitably to controversy and dissatisfaction on the part of the insuring public and undermine its confidence in life insurance companies.

#### Considers Plan to End the Benefits at Age 60

It has been suggested that the income benefit be restricted by terminating the income upon the disabled life at a certain age as, for example, age 60. Such a limitation would undoubtedly reduce the total cost of claims not contemplated under the contract, particularly among "pensioners," but to effect this safeguard other policyholders would not be given that quality of protection commensurate with their needs. It is very well to say that a policyholder should provide for an income in his old age through retirement insurance but many claimants under the income disability benefit will not have had the opportunity to arrange their insurance programs in this way before they are totally disabled.

Another suggested limitation is that inception of permanent total disability must occur before the attainment of a certain age, as, for example, age 55. Here again this restriction will cut down the amount paid to "pensioners" because of the necessity for an earlier decision but it will also eliminate claims of policyholders between the ages of 55 and 60 when they still will be active and feel the loss of earned income.

#### How Restrictions Would Affect the Honest Owner

We must bear in mind also that these suggested restrictions not only limit the completeness of protection for the fair policyholder but also they do not eliminate but only reduce somewhat the extra cost which he must pay for his protection by assuming his part of the share of this restricted but still large improper claim cost.

It is because of considerations of this kind that more and more underwriters are becoming of the opinion that the income disability benefit can not be underwritten and administered on the same high plane of complete protection as life insurance. No restriction of the income disability benefit or close selection of risks can tone down sufficiently its inherent weaknesses and permit it to be written concurrently with



life insurance which is at the other extremity of the insurance quality scale.

Let us consider the income disability benefit as a part of the life contract from the standpoint of the soliciting agent. If this feature is soundly underwritten by the insurance company—and by soundly underwritten is meant with due regard to the limited amount of indemnity which can be offered, to the necessary high standard of past and present physical, moral, and financial condition required, and to the large number of ineligible occupations many of which are most desirable for life insurance—its issuance must necessarily be so restricted that the agent must decide either to eliminate it from his soliciting program or jeopardizing the placing of policies on desirable life risks.

#### Agent Confronted With Grave Selling Problem

The agent with a desirable life insurance prospect must decide whether he will solicit him for the income disability benefit and run the chance of a declination, or solicit only for life insurance with the thought that some other agent may later introduce the income disability feature, to the original agent's disadvantage. If in the near future rates are to be increased and benefits materially restricted, the agent's position will be made still more difficult. Judging from the opinions of many field men who have stated their experience with this situation, the great majority would welcome the elimination of the income disability benefit from the life insurance contract and a return to the waiver of premium only form.

Noncancellable health and accident insurance has been tried by many casualty companies in this country and all, with one or two exceptions, have dropped it. Why should life insurance policyholders, companies, and agents continue to be involved with this impracticable, unsatisfactory, and unsound combination? As stated before, the waiver of premium benefit is now on a par with life insur-

ance protection and is the necessary conserving element of the life insurance contract. To go beyond this is to threaten the high standard of life insurance and the foundation of its reputa-

tion with all persons concerned. The soundest and healthiest step for the life insurance companies to take is to eliminate completely the income disability benefit from all their contracts.

## AS SEEN FROM NEW YORK

#### HARD TO PLACE LARGE LINES

Inasmuch as companies taking reinsurance are becoming far more exacting in their requirements, agents say that it is still very difficult to handle large insurance lines. This is particularly true if an applicant is seeking term insurance. At this time when so many persons and concerns have been hit and have suffered tremendous losses, there is demand for term insurance to tide over a period of decline. A number of concerns and individuals are anxious to take up the slack as best they can and

take care at least of part of the losses due to shrinkage. The mortality has been heavy on these so-called large assureds and the companies taking reinsurance as well as the primary writing companies have changed their underwriting methods so that in many cases it is impossible for a full line to be written on some people. Notwithstanding the very heavy agency pressure brought to bear to get the companies to accept business, they are standing firmly in their position in regard to these jumbo risks.

#### Ohio Field Is Reorganized

**Canada Life Opens Branches at Cincinnati, J. A. Barnes, Manager, and Toledo, in Charge of R. P. Grandin**

Due to the recent death of Mark Davis, manager of the south Ohio branch office, whose connection with the company dated from 1901, the Canada Life has reorganized that territory. J. Allen Barnes, educational instructor of the Detroit branch, has been appointed acting manager of the newly formed Cincinnati branch. Mr. Barnes started in the home office, went to the Detroit branch as secretary, then back to the claims department in home office, and again to Detroit as educational instructor. In the latter position he is now succeeded by A. G. Mackenzie.

A new branch has also been formed

in Dayton, with R. P. Grandin as manager. Mr. Grandin has been with the company for 17 years. He has been a large producer, and for the past 12 years has been a member of the Quarter Million Club.

#### Nelson L. Shultis Resigns

Nelson L. Shultis, agency supervisor of the Columbus Mutual Life, who has been working in the south, has resigned and for the time being is associated with Mark C. Bain, fifth leading producer of the Union Central Life. Mr. Bain and Mr. Shultis are now working jointly in Virginia.

#### Canada Life 1932 Convention

Lucerne, Que., between Montreal and Ottawa, has been selected as the place for the 1932 meeting of the Canada Life Quarter Million Club next June.

#### Able Thinker to Speak at Pittsburgh Convention



ABNER THORP, JR.

Abner Thorp, editor of the "Diamond Life Bulletins," published by The National Underwriter, will be one of the chief speakers at the Pittsburgh convention of the National Life Underwriters Association. Mr. Thorp is an outstanding thinker and analyst in life insurance. He has made a name for himself and his service all over the country. Long before even the leaders began to see the new change in life insurance approach, Mr. Thorp was busily engaged in working out modern plans for presenting life insurance as an investment. He is credited with being the first one in the business to map out a program to meet new conditions.

## ABRACADABRA



It isn't necessary to rub the magic lamp and mumble mysterious words to discover why the Commonwealth Life has been so successful. There's no mystery!...

The Commonwealth Life has grown because its agents have always been loyal and satisfied. Its policies have fitted individual needs just a bit better. Its business has always been sound and profitable. It has never deterred from its original course—to give the fullest protection to mankind at the fairest cost consistent with safety. It has always paid its claims justly and without question.

The unique plan of "Commonwealth Cordial Cooperation" under which our life underwriters work has been an invaluable stimulus. The result is an enthusiastic, contented agency force unequalled anywhere. If you know the details of this plan we feel that you also will be enthusiastic about it. Why not write today for complete information.

## COMMONWEALTH LIFE INSURANCE CO.

LOUISVILLE, KENTUCKY

I. SMITH HOMANS, Vice President.

## A Complete Kit For the Live Salesman

A modern, up-to-date policy contract for every type of prospect—Life, Accident & Health, Group and Salary Savings. A multiple line that makes selling both profitable and pleasing.

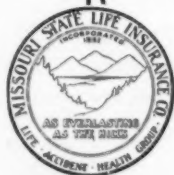
The Moslic line includes Juvenile Policies with insured premium feature; New Family Income Policy; Thrift policies; Mortgage Protection Policies; Educational Policies; Insurance with Income; Old Age Endowments, and many others equally attractive.

Representatives of the Missouri State Life enjoy the hearty cooperation and assistance of a thoroughly organized Field Service Department, and the Company's Producer's Clubs are a constant source of inspiration and inducement to increasing success.

With Home Office in St. Louis, "the City Surrounded by the United States," prompt, efficient underwriting and Agency service is assured.

A Billion and a Quarter of Insurance  
in Force

A Good Company to Represent



## MISSOURI STATE LIFE INSURANCE COMPANY

HILLSMAN TAYLOR, *President*  
ST. LOUIS

Life - Accident - Health - Group - Salary Savings

## NEWS OF THE COMPANIES

### Wisconsin Standard Quits Coast Merger Consummated

**Has Reinsured All Its Business in the Wisconsin Life of Madison—Gets Department O. K.**

Commissioner Mortensen of Wisconsin has approved the reinsurance contract whereby the Wisconsin Life of Madison, Wis., reinsures all the business of the Wisconsin Standard Life of Monroe, Wis. The Wisconsin Standard Life has \$1,500,000 life insurance in force. The Wisconsin Life now has \$28,000,000 in force and over \$3,500,000 assets. The Wisconsin Life in its annual statement showed assets \$3,403,324 and surplus \$206,415. N. J. Frey, the president, joined the company in June, 1911, as secretary and manager. Prior to that time he was connected with the Wisconsin insurance department. Mr. Frey was chosen president in 1922. Gordon D. Adams is secretary, he having gone with the company in 1922 as assistant secretary. He is a high grade accountant of long experience. Mr. Frey has built up a substantial company along conservative lines, not trying to plunge. This is a mutual company conducted at a moderate expense ratio. It has had a favorable mortality rate and its investment portfolio shows well diversified investments.

### Issue Arises in Missouri

**Pacific States Life Secures Injunction Restraining Department from Revoking Its License**

The Pacific States Life has been granted a temporary order restraining Superintendent Thompson from revoking its Missouri license. The order is returnable Aug. 29.

The department refused to renew the license because, it alleges, the company failed to furnish information from which it could determine the amount of reserves on Missouri business.

The company has complied with Colorado requirements as to reserves and holds it does not need to furnish the amount Missouri statutes require.

The same issue came up in Illinois. The company has on deposit in Colorado \$52,145, under the optional deposit law of that state. The Illinois department raised the question as to whether the Colorado reserve deposit might be construed to be held for the benefit of a certain class of policyholders instead of all. The attorney general of Colorado held that a company may at its option deposit less than the ascertained valuation of all its policies. The Illinois attorney general ruled that the \$52,145 deposit in Colorado was not for the benefit of any class of policyholders but for all.

### Liberty National Changes

W. N. Barron and Joe Camp, both of Poplar Bluff, Mo., have become respectively chairman of the executive board and vice-president of the Liberty National Life of Monett, Mo. The company will remove its executive offices to Poplar Bluff, but the home office, for the present at least, will continue in Monett. Dr. William Spaulding of Poplar Bluff has been appointed medical director and a member of the board. Raymond Camp of Poplar Bluff has been appointed superintendent of agencies.

F. P. Sizer, Sr. continues as president and F. P. Sizer, Jr., as secretary. Both reside in Monett.

The Pacific States Life of Hollywood, Cal., which has been licensed in Illinois for accident and health business, has now been licensed to write life insurance.

**President Kruse of California State Life Delivers \$3,000,000 Check to Western States Stockholders**

SAN FRANCISCO, Aug. 27.—The purchase by the California State Life of the Western States Life was consummated here when President J. Roy Kruse of the California State handed to the representatives of Western States stockholders a check for \$3,000,000 in final payment for Western States shares which had been placed in escrow. This is in addition to the \$500,000 initial payment submitted with the agreement of purchase June 11. More than 89,750 of the Western States 100,000 shares had been deposited. The remaining Western States shares are mainly held by absentees and executors of estates and it is expected they will be transferred within the next few months. The original offer of the California State will be held open indefinitely.

Incident to this transaction the California State capital has been increased from 750,000 shares of \$10 to \$1,750,000, with surplus exceeding \$1,000,000. The 50,000 shares of the new issue offered to present stockholders and employees, par value \$10 per share, were over-subscribed within 30 days at \$40 per share, thus providing \$2,000,000 new capital and surplus. The tentative name for the enlarged company which directors will submit to a special meeting of stockholders is California Western States Life.

### New Company Is to Start

**Union National of Lincoln Will Write Life, Accident and Health Insurance**

LINCOLN, NEB., Aug. 27.—Commissioner Herdman has approved articles of incorporation for a new Nebraska life company to be known as the Union National with Lincoln being the home office.

The company is capitalized for \$150,000 with \$75,000 additional to be subscribed as surplus. It plans to start business about Oct. 1 occupying an office in the Barkley building. W. E. Barkley will be president and Don Love vice-president. Bert Rodgers, veteran Lincoln insurance man, will have active management.

Organizers stated that no money would be paid out for organization expense. None of those assisting in the organization are to receive any commissions for stock sales, etc.

Of the capital \$100,000 and \$50,000 of surplus will be paid in at the time of organization. The remaining stock will be available for purchase by agents or by other stockholders at a later time. The company will write health and accident insurance as well as life.

### Will Vote on Reinsurance

**American Provident Life Will Likely Sell Its Business to National Standard Life**

HOUSTON, TEX., Aug. 27.—The directors and stockholders of the American Provident Life of this city will meet Saturday to consider the proposal of sale or reinsurance in the National Standard Life of this city. The American Provident Life was organized by Cravens, Dargan & Co., well known fire and casualty general agents at Houston, starting in September, 1926. Cravens, Dargan & Co. are state agents for the Northwestern National Life and



will so continue. The Dec. 31 statement of the American Provident shows assets \$399,287, capital \$150,000, surplus \$50,000, insurance in force \$7,813,973. H. G. Hewitt, who is in charge of the life department of Cravens, Dargan & Co., looks after both the American Provident Life and Northwestern National Life. Its business is all on the nonparticipating plan. It is licensed only in Texas. The expense ratio has been low and the mortality rate favorable. James Cravens is president; Kemp S. Dargan, first vice-president; Price K. Johnson, secretary.

#### National Standard Life Exhibit

The National Standard Life started business Jan. 1, 1926, as the Union Standard Life. On Dec. 31 its assets were \$1,042,551, capital \$275,350, surplus \$75,567, insurance in force \$13,618,561, which includes \$8225,411 of A. O. U. W. business taken over. During the latter part of the year the National Standard reinsured this fraternal of Little Rock. It is licensed in Texas, Louisiana and Mississippi. William Bacon is president; Robert Broussard, vice-president and agency director; J. E. Josey, Jr., secretary and treasurer.

### Policy Loans Are Lightning

#### Vice-President Stevenson of Pacific States Life Finds Applications for Money Greatly Decreased

R. N. Stevenson, vice-president Pacific States Life, states that reports from 18 states in which his company operates show a pronounced decrease in applications for policy loans—reflecting a steadily advancing improvement in business conditions. Analysis of this survey indicates that there was a 35 percent decrease in applications for policy loans during the period Jan. 1-April 30, while from May 1 to July 31 the decrease was 70 percent.

"Insurance policy loans," Mr. Stevenson said, "constitute an unfailing barometer which records the reaction of the public in general to readjustment during periods of unsettled conditions. The fact that policyholders are now making payments on loans secured on their policies during the last 18 months is another indication of improved conditions."

### H. H. Williams Is President of Santa Fe National Life

The Santa Fe National Life, which has been in the process of organization, has now established headquarters in Albuquerque, N. M., in the Strong building.

Hugh H. Williams, state corporation commissioner, president of the National Association of Railroad & Utilities Commissioners and intermediate rate association, has been selected as president.

E. N. Boule, city commissioner, and former president of the Albuquerque chamber of commerce, is resident vice-president. Harry S. Bowman of Santa Fe, former attorney general, is vice-president and general counsel; J. B. Grant of Santa Fe, securities commissioner is treasurer; M. T. Snodgrass, formerly general auditor for the Continental Oil Company, is secretary.

R. A. Hann is in charge of the actuarial department. Mr. Hann was connected with the Equitable Life of New York for 16 years, later acting as actuary of the Colorado department, secretary and actuary of the Ohio State Life, vice-president and actuary of the American Bankers, consulting actuary for the Arizona, Kansas, Colorado, Montana, Ohio and District of Columbia departments.

In addition to the officers, directors include H. L. Kent, Las Cruces, dean of the State Agricultural College; W. E. Holt, Lordsburg, United States commissioner and president of the cham-

ber of commerce, and Julius Gans, Santa Fe merchant.

### Equitable's Assets, Payments to Policyholders Are Up

Admitted assets of the Equitable Life of New York have increased to \$1,358,800,000 the first seven months of this year. Disbursements to policyholders, including \$33,320,000 dividends, totaled \$115,000,000.

President Parkinson reported that \$71,615,722 was paid to living policyholders, an increase of \$10,223,001 over the same period of last year, and \$43,585,940 in death claims, an increase of \$4,098,927.

Mr. Parkinson said the annuity business showed an increase of 100 percent over last year.

"The strong financial position of the life insurance companies generally should be a source of great satisfaction to American business," Mr. Parkinson declared, "for the life insurance policy has become the recognized backlog of credit stabilization, particularly in the case of small merchants and partnerships and close corporations. The Equitable's financial position now, as during the past 72 years, is such as to assure prompt fulfillment of its obligations

under every policy contract, and we are pleased indeed that the stability which it offers is being so industriously interwoven in our national business and family life."

### Henshall Succeeds Blevins

Dr. J. W. Johnson, president of the Interstate Life & Accident of Chattanooga, announces that G. K. Henshall has been appointed manager of agencies to succeed J. W. Blevins, who resigned recently. Mr. Henshall has been assistant manager of agencies.

### D. V. Edmondson Resigns

D. V. Edmondson has resigned as chairman of the board of American Life of Alabama. He was president of the American Security until that company and the American Standard of Birmingham were consolidated a few months ago into the American Life. T. W. Wert, former president of the American Standard, is president of the consolidated company, and R. A. Gray is vice-president.

### Receiver for Lloyds Life

KANSAS CITY, MO., Aug. 27.—J. B. Thompson, superintendent of insurance, filed suit in the circuit court here

for the appointment of a receiver for Lloyds Life. Judge Seehorn appointed Superintendent Thompson receiver and ordered the assets taken. A permanent injunction against the officials of the company was granted. Investigation by the department revealed the capital impaired and that liabilities exceed available assets.

The American Liberty Life of Muskogee, Okla., has entered Arkansas. It writes all line of life insurance including monthly and weekly industrial as well as health and accident. They have not as yet appointed a state agent.

### N. Y. Life Mortgage Loans

New mortgage loans made by the New York Life in the first seven months amounted to over \$23,820,000, bringing the total outstanding mortgage loan investment in the United States and Canada to more than \$570,234,000. More than \$10,800,000 was invested in apartment house loans, over \$7,326,000 in residence loans and over \$5,414,000 in business property loans.

### Great West Has Seattle Branch

The Great West Life has opened a branch office at 1015 Joseph Vance building, Seattle, with F. W. Renworth as manager.

## The August Horoscope

People born in the first 21 days of August come under the influence of the zodiacal sign, Leo. They are of a most affectionate temperament, energetic and ambitious, but subject to extremes.

Virgo rules over the latter days of August, and turns out strong people, both physically and morally. Persons born in this period are inclined to inquisitiveness, which leads also to study and research.

Famous persons born in August under Leo are Shelley, Tennyson, Charles A. Dana, Russell Sage, Napoleon, Sir Walter Scott, Marshall Field and Benjamin Harrison.

Famous persons born in the latter part of August under Virgo are Bret Harte, Oliver Wendell Holmes, Livy the Roman Historian, and S. P. Langley of the Smithsonian Institute.

There are many fields open to men born in August, their bright disposition helping them to adapt their natural talents to almost any kind of labor. Men of August, however, are particularly successful as salesmen.

If you are in the life insurance business but not now under contract, the stars are urging you to get in touch with the Royal Union Life. With us you can reach a high level of success in a very short time.

## Royal Union Life Insurance Company

Des Moines, Iowa

A. C. TUCKER, Chairman of the Board

J. J. SHAMBAUGH, Pres.

B. M. KIRKE, V. P. & Field Mgr.

W. D. HALLER, Sec'y





## B. M. A. "STARS" to YELLOWSTONE



A. T. Dahlke  
President  
Grant Club

The President and Vice-President of the Grant Club (The B. M. A. sales Club) elected themselves to membership by producing the largest and second largest volume of business secured by any B. M. A. salesman in 1930.



Bruce Halliburton  
Vice-President  
Grant Club

The B. M. A. All-Star meeting this year is unique in that it will be a moving convention; each of the three business sessions will be held in different hotels in the Park. The mornings will be devoted to business, the afternoons and evenings to recreation and sightseeing.

All salesmen qualified for the trip and will attend as guests with expenses paid by the Company. *Just another recompense for being a part of the B. M. A.*



Old Faithful—Yellowstone Park—August 24-29

## BUSINESS MEN'S ASSURANCE COMPANY

Kansas City,  
Missouri

W. T. Grant,  
President

## LIFE COMPANY CONVENTIONS

### New World Life Agents Rally

Optimistic Sessions Are Held in Seattle  
During Coast Company's Home-coming Convention

The home coming convention of the New World Life in Seattle attracted the largest attendance of any gathering in its history. Agents from the company's offices in 11 states running as far east as Minneapolis were represented.

The convention was told that Seattle, the recently established home office territory, showed an increase for the first six months of 1931 of 96 percent over the same period last year. There was an absence of depression talk.

President John J. Cadigan predicted that in the next five years, the New World Life will double its insurance in force.

#### Better Caliber Agents

W. J. Hindley, former mayor of Spokane and preacher at Edmonds, declared that life insurance in the past has been considered the avenue of retreat for social misfits. "Today," he said, "life insurance men are called from the best brains of the young men of our universities. It no longer furnishes a place for the failure in all other lines of endeavor."

"I have some friends who have lost money in real estate but I haven't any friends who have lost money in life insurance." This was the statement of Wylie Hemphill, vice-president of the National Bank of Commerce, Seattle. "The thing you are trying to do in selling life insurance is to do a man a favor. Your job is to tell the story that a \$20,000 policy will provide at 6 percent only \$3.29 per day. When people realize this they will give more con-

sideration to carrying the amount of insurance which will more nearly provide for their families."

General Counsel John D. Carmody spoke on some of the legal aspects of the disability situation in life insurance. He outlined something of the history of disability and the court decisions which have affected the contracts.

R. H. Hepfer, assistant superintendent of agencies, declared that with the average man the only property he has that is worth 100 cents on the dollar is his life insurance policy. Life insurance must be sold as property and its investment features must be stressed, he said.

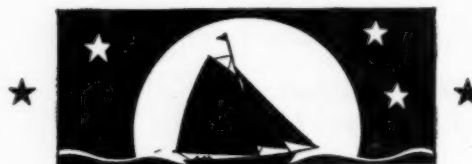
Dr. P. J. Gallagher, medical director, urged agents to study their impairment list in order to speed up their non-medical business. Last year, he said, the New World Life referred back 14 percent of its applications for medical examination.

#### Schiffner Conducts Forum

J. J. Schiffner, manager of the Spokane office, conducted a forum on various topics of interest. He referred to insurance periodicals and displayed clippings of several articles, urging the men to take advantage of this material. Other speakers were C. V. Maguire, Raymond Cahill, manager conservation department, who said that lapses are best prevented at the time of sale of the policy; W. T. Rutherford, agency manager, Oakland; R. C. Burton, secretary-actuary; E. J. O'Shea, vice-president; T. F. Keegan, Wisconsin state agent; S. J. Kingon, agency manager, Los Angeles; J. K. Corkery, agency supervisor northern Idaho and eastern Washington; R. P. Milne, Seattle advertising man.

The convention was closed by Vice-President John W. Cadigan. Entertainment features included a

### Directly on the Ocean



## NEW OCEAN HOUSE

at SWAMPSCOTT ★ MASSACHUSETTS

The North Shore's foremost resort  
... ideal seaside and country environ-  
ment... health-giving, salt sea  
breezes. Every recreational feature...  
golf... private bathing beach. Easily  
accessible to all famous landmarks of  
American antiquity. . . . . Booklet.

Convention activities at the New Ocean House during the current season included the entertainment of more than 25,000 guests, and among the long list of organizations were the following: Bankers Life; International Association of Insurance Counsel; International Claim Association; Liberty Mutual Insurance Co.; Massachusetts Mutual Insurance Co.; New England Mutual Life Insurance Co.; New York Life Insurance Co.; Prudential Insurance Co.

CLEMENT E. KENNEDY, President

Winter Resort: Vinoy Park Hotel, St. Petersburg, Florida

sight seeing boat trip along the Seattle water front, Lake Washington canal and government locks and a trip to one of the battle ships. There was also a boat trip to Victoria.

### Parkinson Attending Rallies

**President of Equitable of New York Making Circuit in West Meeting Field Men**

President T. I. Parkinson of the Equitable Life of New York is on a trip through the Pacific and southwestern states attending a number of regional conventions being held by the western department. He is accompanied by Sterling Pierson of the home office. Representatives from the west coast department in attendance are W. H. Glines, superintendent of agencies, and E. D. White, regional group supervisor.

The series started off Aug. 24 with a two-day meeting at Glenwood Springs, Colo., of the Denver agency managed by H. A. Nye. The Tri-state agency at Salt Lake City, under Agency Manager J. H. Harrop, is meeting at Old Faithful Lodge, Yellowstone National Park, Aug. 27-28. The Spokane agency under Agency Manager C. H. McCoy is to meet in that city Aug. 31, and the Seattle agency under C. J. Sauter, agency manager, at Harrison Hot Springs, B. C., Aug. 31-Sept. 1-2.

The Portland agency of Manager T. H. Groves will meet in that city Sept. 4. Three agencies combine in a meeting at Camp Curry, Yosemite National Park, Sept. 7-9, the A. W. Carne, Peter Murman and J. A. Sullivan agencies. The Rathbun and Van Winkle agencies will hold a joint meeting at Catalina Island, Sept. 10-13. The Arizona-New Mexico agency meeting will be at Grand Canyon, Ariz., Sept. 11-12. E. L. Goose is manager at Phoenix.

### Ohio National Life Convention

The agency club of the Ohio National Life will meet at the Edgewater Beach hotel in Chicago next week starting Wednesday. Ray Hodges is president of the club and will be in charge. President T. W. Appleby will give the address at the banquet. Among the topics for discussion are present day problems and trends, meeting present day problems, organizing the sales talks, organizing work, salesmen in action, conservation problems. Mr. Appleby's topic at the banquet will be, "The New Era and Business."

### Philadelphia Life Convention

The agency club of the Philadelphia Life will be entertained in the White Mountains the week of Sept. 14. The men will go to Boston and then on to Bretton Woods, N. H., via Portland, Me. They will return to Boston and take the steamer to New York.

### Managers Meet at Wawasee

The Lincoln National Life general agents and managers meeting will be held at Lake Wawasee, Ind., Aug. 31-Sept. 2.

### Royal Union's Convention

The Royal Union Life is holding a convention at Lake Okoboji, Ia., this week with about 150 in attendance. O. G. Lippincot, field secretary, is in charge of arrangements.

### Southeastern Life's 1932 Meeting

The Southeastern Life of Greenville, S. C., announces that its 1932 agency convention will be held at Signal Mountain hotel in Chattanooga, Tenn.

E. D. Fitchall, formerly cashier of a bank at Poseyville, Ind., and more recently a resident of Indianapolis, has been named district manager of the National Life of Vermont at Evansville, Ind., in charge of Vanderburgh, Gibson and Posey counties.

## Readjustment of Commissions Is Given as Lapse Solution

By A. L. HADLEY

Assistant Secretary Home State Life

The general use of the word conservation is comparatively new, but it is used nowadays more frequently than any other in the insurance field. Nearly every issue of every insurance magazine and insurance paper in the country has some article under the heading of "Conservation," "Lapses," or similar headings. Conservation department managers and company officials are becoming prematurely gray trying to work out or devise some method of saving the business which has been placed on the books. From a general observation though it would appear that most companies start their conservation work at the wrong place.

Insurance men know there is no chance to insure the man who is already in the hospital and on his death bed, but some seem to think that conservation managers and renewal departments ought to be able to keep all the business produced on the books, regard-

less of how it was put there in the first place.

A few years ago very little thought was given to conservation, but volumes were given to production. In the past agents, also companies, were judged entirely by the volume of new business they could write each year, and practically no attention given as to whether the business was good renewable business or not, as the sole aim of both agents and companies was to make a big production record.

With the passing years competition has become keen and with the increased demand for volume production, it naturally follows that the business has become top heavy. Every foundation is constructed to carry a certain load, but whenever the super-structure is enlarged to a point where the foundation will not carry it, then the entire structure is due to collapse.

So it is with life insurance. The orig-

inal foundation was adequate to carry the load, it was built scientifically and mathematically correct as has been proven in the past, but greed and the desire to out-do the other fellow is rapidly bringing the entire structure of life insurance to the point where the very foundation trembles, not from the policyholders' standpoint, as they are fully protected, but from a money making successful company standpoint.

The agent is not entirely to blame for the present condition, but in fact most of the blame can be placed on the companies as they have forced the agents to obtain an increased volume of new business without any thought as to the cost, and in most instances the increased volume has not resulted in any increased compensation to the agent, and it has cost the company dearly.

### Weakness of Big Producers

Many an agent who only produces \$50,000 per year makes more for himself and his company than the one who produces \$250,000, likewise the \$250,000 producer is often a much better man than the \$1,000,000 producer. Many instances have been known where the \$250,000 producer had more net increase in business than the \$1,000,000 producer and many a \$1,000,000 producer has not paid all his first year nets and has not

# VIEWPOINT



## agency understanding

Seasoned viewpoint promotes a sympathetic understanding of agency problems . . . insures harmonious relations between agent and Company.

Continental executives are familiar with every day agency problems. Their spurs were won by performance in the field.

This viewpoint, young enough to be aggressive, old enough to be conservative, has been a factor in the success of these Companies and their agents. It insures the DURABILITY of this institution.

**CONTINENTAL**  
**CASUALTY ASSURANCE**  
**COMPANIES**  
CHICAGO ILLINOIS





# BUILDING A BUSINESS

**B**UILDING a successful business is really a slow, deliberate process.

Every factor which amounts to much calls for unhurried effort over a period of years. It takes time to build a life insurance company. It takes time to train a responsive agency force, to develop an efficient Home Office personnel and to earn the "good will" of the buying public.

The Bankers Life has served its apprenticeship in the workshop of experience. It now has behind it the momentum of forty-four years of accumulated experience in meeting the problems incident to successful operation in the life insurance field.

Let us put our years of experience in training salesmen, in providing definite Home Office co-operation and in up-to-date advertising and publicity to work in building a General Agency for you. We need men over the age of twenty-eight who have had life insurance experience. Perhaps you need us.

Territory available in Illinois, Iowa, Missouri, Ohio and Pennsylvania. Write

A. B. Olson, Manager of Agencies

## BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Founded in 1887

Home Office - Lincoln, Nebraska

been able to write his personal check for \$1,000 at the end of the year, when he is supposed to have made \$25,000 in first year commissions. Furthermore, records have shown that of a \$1,000,000 production only \$100,000 remained in force during the third year.

This kind of production is costly to all concerned. To the policyholders who lapse their policies (even though they did not pay the full premium, which is true in many cases) to the company which was put to the expense of issuing a large volume which resulted in only a small increase in force, and to the agent who often lost most of his first year commissions and practically all his renewals.

Records show that the average company has to issue three new cases to gain one and many run as high as eight and ten to one and some even as high as fifteen to one. In spite of all this turn-over in business, life insurance in force has increased over fifty billion dollars in the past ten years, but think what the increase would have been, if the unnecessary lapses had been saved. According to book records a great amount of business lapses at the end of the first policy year, but theoretically it lapsed at the time the application was signed, due to the fact that it was improperly sold. Too many agents sell premiums rather than protection and look at the commission to be earned rather than service to the prospect.

Companies have been spending millions putting on an increased volume of new business and are now spending other millions trying to save a lot of business which was no good in the first place. All the home office letters, literature, and even personal calls in the world will not save the business which was improperly sold in the beginning.

### Remuneration of Field Force

Some companies pay a general agent or manager 85 percent or 90 percent first year commission with an additional bonus of 5 percent for a million dollar production, besides a \$300 or \$400 salary or office allowance and \$50 to \$100 a week expense account. Many companies are paying their field force 90 percent to 100 percent of the first year premiums and 10 percent to 20 percent of the second year premiums and 5 percent to 10 percent for next eight years. Thus they are paying from 105 percent to 125 percent during first three years, then expect the business produced to stay on the books. It just can't be done.

Now the question is, what are we going to do about it? The answer is entirely in the hands of the companies. But it must be by concerted effort on the part of all companies and by definitely agreeing between themselves to discontinue their clamor for volume production and stress quality production. And they have it in their power to force the issue too. How? Simple enough. Cancel and discontinue all high commission contracts, reduce bonuses for volume, reduce monthly branch office allowances, and make agents remit gross premiums to home office within thirty days. Then make every agent pass a written examination on his company's rate book, policy contracts, general rules and life insurance in general. You say it can't be done! Yes it can, if every company will announce such a change effective on a certain date. But, then the companies say—why our production would drop off enormously. Well what of it? Why issue ten million to gain one million, or fifty million to gain ten million or two hundred and fifty million to gain fifty million or one billion to gain a quarter billion? And this is just what has been done year after year. A lot of the business one company issues this year is just what another company had last year and some other company will have the next year, and who makes any gain worth the cost?

Why not pay 50 percent first year, 40 percent second year, and 20 percent third year, thus paying only 110 percent during first three years and give

a bonus to the agent whose business renewed better than 75 percent. Renewal commissions to be paid only on premiums collected by agent or through his efforts and on a reduced schedule after leaving company service, but arrange an old age pension for the agent who stays with you.

Again you say—why all our agents would quit in a minute if we even hinted such a thing. No they wouldn't—not the real life insurance man, but the floaters would and they ought to be forced out of the business anyway. Life insurance salesmanship is a profession and only the highest type men should be permitted to handle it.

Does a company keep the clerk who turns out a poor class of work and do they pay them any such salaries or make any such advances to them as they do to the new agent? No. Does a company even keep a home office executive whose department is improperly managed or do they make advances to him on his promise to show certain results? No. Then why should they do so with the agent? Just habit, that's all, and because the other company does.

### Carried Considerable Insurance

Coincident with return of a verdict of suicide in the death of T. R. Ashcraft, 46, financier at Little Rock, Ark., and former vice-president of the Federal Bank & Trust Co., it was disclosed that he carried \$210,000 life insurance. He was killed August 17 when his automobile was struck by a Missouri Pacific passenger train at a private crossing nine miles from Little Rock. He had \$140,000 with the New York Life, \$15,000 with the Pyramid Life and \$30,000 with the Metropolitan Life. His New York Life contract included \$25,000 of double indemnity and his Pyramid contract was for accidental death.

Ashcraft resigned from the Federal Bank & Trust Co. in 1925 and since then owned and managed two finance companies at Little Rock. It is believed there that his business affairs were in reasonably good order.

### Hockenhull Is President

A. W. Hockenhull of Clovis, N. M., is president of the newly organized Great Western Life of Albuquerque, N. M., which is now actively engaged in business. E. R. Biggs, formerly of Amarillo, Tex., but now of Albuquerque, is secretary-treasurer.

In addition to the president and secretary, directors are Neal Ainsworth, and C. W. Furr of Amarillo; E. L. Hanson, Albuquerque; Dr. J. W. Board and Carl A. Hatch, Clovis.

Mr. Hatch states that the Great Western is starting conservatively, "trying to organize a real life insurance company." It is not a stock selling or promotion enterprise, according to Mr. Hatch. For the protection of its policyholders, he said, the Great Western will reinsure all business in the next 12 months.

### National Fidelity's Fourth School

The fourth school of the National Fidelity Life for this year will be held Sept. 14-26 in Kansas City under the direction of Ralph Rice, Jr., superintendent of agencies; Dr. J. W. Wear, medical director, and F. E. Young, actuary. About 18 men are expected to attend the school.

### Waddell Gains 300 Percent

The Missouri State Life's Detroit branch under Manager C. E. Waddell, won the president's cup for the third consecutive time with a 300 percent increase in paid production record for the second quarter of 1931. Stacy & Stacy of Phoenix, Ariz., was second and Leo R. Schuster agency, El Paso, Tex., third.

The Little Gem Life Chart shows 20-year Ordinary Life Net Costs at every age, 20-53, inclusive, and at 55 and 60. Order at your company club rate from The National Underwriter.



## Non-Medical, Healthy, Sound Permanent, Dr. Young Says

(CONTINUED FROM PAGE 5)

changed to 17 to 40. He said the mortality experience on newly opened agencies on this plan tends to be higher than that of the old established ones.

### Female Lives

Selection of females lives must be more strict on the non-medical plan than on the medical, he said. Single, self supporting females only are accepted and the limits are lower. Even with these restrictions, he declared, the mortality is slightly heavier than that of the male lives and also than medically examined female lives.

During 1930, Dr. Young said, about 73 percent of the standard policies issued in Canada was on the basis of a non-medical application, about 56 percent of the amount of standard business being written on this plan. In the United States standard non-medical business represented about 52 percent of the policies and 48 percent of the amount. The average amount of the medical policy was between two and three times the average of the non-medical.

### Tuberculosis Death Rate

Death rate from tuberculosis on the non-medical plan has not been as heavy as under the medical, Dr. Young reported. Deaths from nephritis have been heavier and also a heavier death rate from cerebral hemorrhage and from organic heart disease during the first few policy years for ages under 40. Deaths due to cancer are heavier at ages over 40 in the first few policy years in the non-medical.

After starting to write non-medical, there was a tendency in the Sun Life for the rate of mortality to increase from year to year, the actual deaths in 1924 being 61 percent of the expected by the Canadian men's select table of mortality and rising to 70 percent in 1928. This has decreased, however, to 63 percent in 1930 and according to Dr. Young it appears that the rising tendency has ceased and future mortality on this plan will more or less follow the present rate.

"The non-medical plan has proved successful in the hands of most companies because of the rules and regulations governing it, because of the thoroughness with which confidential information is sought, because of the efficiency and dependability of the agency force and because of the cooperation of the applicant."

## Michigan Plan for Public Enlightenment Is Explained

(CONTINUED FROM PAGE 4)

Dr. S. S. Huebner was the speaker. The Kiwanis club sent out invitations to members of other luncheon clubs stating that the subject of life insurance would be discussed by a speaker of national renown. Mr. Kies explained that wherever it has been possible to do so someone other than a life man was presented to talk. Several teachers have been coached to present the Michigan plan to teachers' institutes, luncheon clubs and other meetings.

Mr. Kies explained that when the time comes that the Michigan plan is developed to a sufficient point of success, these same school men will be available in other states as speakers at group meetings. He feels that the secret of the success of the plan has been the fact that the life insurance men have been in the background doing much work but not doing the talking.

Mr. Kies states that one of the discouraging features has been the situation confronting his own committee. When it was agreed that something should be taught the question immediately arose as to what should be covered. There was much material but what should be selected and how should the money be raised for distribution? Members of the

committee divided the work. It was found that some of the material which has been appearing in arithmetic text books is very objectionable to the life agents. It was written years ago. A complete text book has been written after many conferences.

## Lower Decision Reversed

### Ohio Supreme Court Rules on the Scope of Agent's Knowledge Binding Company

The Ohio supreme court in passing on the case of Lozio vs. John Hancock Mutual takes up the point of whether an industrial soliciting agent with knowledge that the assured was not in sound health bound the company. The company charged that the assured was suffering from tuberculosis. It was contended by the plaintiff that the agent had full knowledge of his condition. The jury found for the plaintiff.

The Ohio supreme court holds that if the applicant has, truthfully and in good faith, supplied information to the agent and the agent has wrongfully or fraudulently reported the facts so given, the agent becomes the agent of the company, which becomes responsible for such wrongful or fraudulent con-

duct of its agent in the business entrusted to him. The court says there is the question as to who is included within the term "agent" within the meaning of section 9391 General Code. The statute does not define it. The court says the term "agent" should therefore be given its natural and legal meaning, that given it by the courts and derived from the principles of the common law. This agent was only a soliciting agent. There was no proof that he had any other authority and none to waive material conditions in the policy. Under the instructions of the trial court the knowledge of any and every agent would become the knowledge of the company, since the court did not define the powers of the agent. The higher court declares that in so charging, the trial court erred. It further said that mere notice is not knowledge. The fact that someone may have told the agent that the assured was not in sound health or, in fact, if the agent had learned it by hearsay, does not necessarily constitute knowledge within the purview of the section and the court erred in charging that it did. If it should be proved that both the assured and the agent connived for the purpose of defrauding the company there can be no recovery. The supreme court states that under the fact it became the duty of the trial court to sus-

## Why Do

Ocean liners carry life boats?  
Autos carry spare tires?  
Cities maintain fire departments?  
Theaters have red light exits?  
Beaches employ life guards?  
Undertakers stock coffins?  
Californians install heating stoves?  
Nations build battleships?  
Railroads have air brakes?  
Elevators have safety stops?  
Suspenders have two straps?  
Buildings have sprinkler systems?  
States have strict banking laws?  
Mothers stock first aid kits?  
Electricians insert blow-out fuses?  
Houses have lightning rods?  
Cars have safety glass?  
Pilots carry parachutes?  
Shavers own styptic pencils?  
Steam boilers have safety valves?  
Men need life insurance?—

EMERGENCIES DO HAPPEN!  
—From Lincoln National Life's "Emancipator."

tain the company's motion for a directed verdict. The judgment is reversed.



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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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## Member Audit Bureau of Circulations

### Seeking Business on One's Plane

C. H. LANGMUIR, third vice-president of the New York Life in charge of the agency department, brings out a point in one of its publications that can well be emphasized. Mr. LANGMUIR asked the question of agents: "Do you devote your time to prospects within your reach?"

Too frequently agents get out of their class in selling life insurance. There is nothing so essential for the agent as to know himself thoroughly, appreciate his limitations and recognize the fact that his language and his influence will prevail with people of his own intellectual mold and social environment.

Mr. LANGMUIR brings out the thought that the expert life insurance man does not sacrifice time in approaching people that are too large for him to handle. While there are no class distinctions in this country nor is caste prevalent, yet conditions must be met as they are found. As Mr. LANGMUIR points out, the prospect that a life agent will close belongs to that grade of people that he meets every day, associates with, talks with and knows their surroundings. A teacher, for example, would have entree to almost any one in that profession. If a man belongs to a golf club he naturally mingles with the people who are members there. A young man will have more influence with his comrades. If a new college graduate starts out to sell life insurance his best field will probably be other recent graduates.

Then Mr. LANGMUIR declares policy-

### Insurance Selling Is Different

Insurance selling is different from almost any other kind because insurance men are endeavoring to interest people in buying something that only materializes or assists in time of trouble. There are very few occupations that are devoted entirely to people when they are in distress. Physicians might be classi-

holders grow and so do the agents. The agent should keep in touch with the men that he has insured and see these policies grow. He becomes well and favorably known to an increasing number of people. Mr. LANGMUIR further says:

"Don't let yourself have an inferiority complex when you read about the big policies that others seem to be writing. They are the exceptions. Never say to yourself, 'I am no good, for I cannot write big cases'—for there is really no form of disease more harmful to an agent than a 'big policy paralysis.' The wise agent devotes himself to the people he can write and doesn't worry about those he cannot secure.

"The famous reply of HARRY ROSEN, the greatest life insurance agent of all, when he was asked if he had always written big policies, was this: 'When I started in the life insurance business I was a retailer of life insurance. I had been a retail merchant and I sold insurance to retailers. But every retailer has a wholesaler, so I had him introduce me to his wholesaler. Thus I became a wholesaler of life insurance. Now every wholesaler gets his goods from a manufacturer. So when I insured a wholesaler, I had him introduce me to his manufacturer, until I became a 'manufacturer' of life insurance. But the manufacturer in turn has a financial backer and whenever I insured a manufacturer I made him take me to his financier, until now I am a financier myself.'"

fied as such. The great bulk of commodities and service sold to the people have to do with their sunny days. They are largely to give physical, intellectual or spiritual satisfaction. Insurance merely is sold to give peace of mind. So long as there is no loss there is no demand for insurance.

## PERSONAL SIDE OF BUSINESS

C. S. Willcox of Norfolk, Va., one of the leading producers for the Minnesota Mutual Life, is in the Mayo clinic where the possibility of operative treatment for a comparatively rare disease with which Mr. Willcox is afflicted, is being determined. Mr. Willcox is suffering from scleroderma or hardening of the skin. He stopped at St. Paul for a visit to the home office, flying to that city from Chicago. Mr. Willcox is a young man who has made progress in the life insurance business. He has a pleasing personality and at the agency conventions of the Minnesota Mutual is a popular figure.

Mrs. J. Everett Hicks, wife of the Boston general agent for the Union Mutual of Maine, is seriously ill in a Boston hospital after a series of critical operations. She became ill while on a vacation among the Rangeley lakes in Maine. While Mr. Hicks is devoting his attention to his wife, G. F. Foster, superintendent of agencies of the company, is helping conduct the agency.

O. O. Black, assistant secretary of the Protective Life, Birmingham, Ala., is quite a radio performer. He has charge of the company's daily "Protective Pep Period" over a Birmingham radio station. He is also a member of the cast of the Radio Thespians, who were recently called to Chicago to give a program over the National Broadcasting system.

Johnson D. Hill, executive vice-president of the Atlas Life, Tulsa, Okla., is making a tour of Atlas agencies on the Pacific Coast. He will also visit the Kansas City, Mo., and Kansas City, Kan., agencies before returning to Tulsa.

T. L. Bradford, mayor of Dallas and chairman of the Southwestern Life, is seriously ill at Long Beach, Cal. He is being attended by Dr. W. W. Samuell, Dallas surgeon, who went to Mr. Bradford by plane. Mr. Bradford was stricken with a heart attack during his vacation.

A. L. Sullenger, district manager of the State Life of Indiana at Eureka, Cal., has just completed his sixth year of consecutive weekly production. His record, as of Aug. 18, was 312 weeks. His closest competitor for honors in the California agency is Paul Paul of Madera, Cal., who has a record of 298 weeks and also produced two applications a week for 137 consecutive weeks.

E. D. Duffield, president of the Prudential, is among the number of prominent men of the country requested by President Hoover to aid in the movement to deal with the unemployment problem during the coming winter.

Hamilton Kerr, of Dayton, O., one of the veteran business producers of the Mutual Benefit Life, died at his home. He was 72 years old and had been connected with the company since 1902, when he joined its Cincinnati agency. During his insurance career his name appeared 26 times among the list of "100 Leaders" and on six occasions his year's production exceeded \$1,000,000. What is regarded as his greatest contribution to the business was his development of the "center of influence" idea as a method of prospecting.

C. H. Bunker, veteran accident official of the old days, who was president of the Metropolitan Accident of Chicago, died last week at the home of his son Gerald in Toronto at the age of 81. Mr. Bunker organized the Metropolitan Accident and built it up during the time when A. E. Forrest was developing the North American Accident and Thomas S. Quincey was at the head of the old Star Accident of Chicago. Mr.

Bunker was the main factor in consolidating the Metropolitan Accident, the Northwestern Benevolent of Duluth, the Continental Assurance of Detroit and the Railway Officials & Employees of Indianapolis into the present Continental Casualty of Chicago. When he had completed this task he sold his interest to a syndicate headed by the late H. G. B. Alexander, who was the chief factor in the Indianapolis company. Mr. Bunker then got into another line of business. He has a daughter living in Chicago, Mrs. Manton Maverick, wife of the vice-president of the Continental Casualty.

Having won the esteem of Governor Brucker of Michigan through his work as chairman of a special advisory council on state accounting and finance, which aided the governor greatly in framing an administration financial policy for the state, Clarence L. Ayres, president of the American Life, Detroit, has been named as member of a new five-man commission which will investigate the status of county, township and school district governments. An effort will be made to ascertain means by which the cost of operating these local political subdivisions may be greatly reduced while their general efficiency may be increased. It is the governor's theory that genuine economy in government must be accomplished in the local units although he has endeavored to set an example by paring the state's expenditures to the bone.

A. D. Dulaney, Arkansas commissioner, has announced his intention to become a candidate for Congress in the Fourth Arkansas district. Mr. Dulaney has served as circuit judge, assistant attorney general and deputy commissioner and was appointed commissioner when W. E. Floyd was removed following the investigation of the failure of the Home companies at Little Rock.

C. E. Cleeton, big producer at Los Angeles of the Occidental Life and vice-president of the company's production club, had a terrifying experience on his way home recently by car from New York, where he had gone to join his wife, who had been visiting relatives. He purchased an expensive car, in which he and his wife started west. Just outside of Oklahoma City his car collided with another which drove onto the highway from a blind road. The other driver was killed, but the Cleetons escaped serious injury, although the new car was wrecked.

Roy LeCraw, general agent for northeast Georgia for the State Life of Indiana, has been elected president of the Atlanta chamber of commerce. He is the youngest man ever chosen for that office. He has been with the State Life since 1920. He is active in social, commercial and military circles, holding the rank of captain in the national guard. With all of these activities he has found time to study law and recently graduated from law school.

Sim Naylor, 47, general agent for the Franklin Life at Tulsa, Okla., died Sunday night in a McAlester, Okla., hospital, following an intestinal attack. He was stricken while en route to Tulsa from Hot Springs, Ark., where he had been attending a convention.

Mr. Naylor was said to be the youngest 33d degree Mason in the United States. He formerly lived in McAlester, going to Tulsa in 1923. He was in electrical business for a number of years before entering the insurance field and built the first radio broadcasting station in Tulsa in 1923.

Mrs. Herman C. Hintzpetter, wife of one of the managers of the Mutual Life of New York in Chicago, died at her





Trade Mark Reg. U. S. Pat. Off.

# "WE WILL SUCCEED"

That's the message that flashes to the Home Office from Shield Men. It means they are planning on earning a trip to the 1932 Pearl Jubilee.

It means they have stepped out in advance of the times, in advance of conditions, and by sheer force of their personality and determination, backed by the reputation they have made for the Company, they began an advance that continues without interruption and at a constantly increasing pace. There is nothing finer in life than the satisfaction that comes of winning against odds. The real joy of achievement comes when victory is snatched out of the jaws of defeat and in many cases Shield Men have done this very thing.

Shield Men are overcoming all odds in their zest to succeed. It pays to be a Shield Man.

*The* **NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY INC.**  
NASHVILLE TENNESSEE  
*Tune in WSM*

home 212 Sheridan Road, Kenilworth, Ill., Tuesday. In addition to Mr. Hintzpeter, there are three sons surviving, Edward C. and Ervin D., who are associated with Mr. Hintzpeter in his general agency, and Herman C., Jr., who is

a pupil at New Trier high school, Kenilworth. Mr. Hintzpeter started with the Mutual Life as an agent when the late C. H. Ferguson was the sole general agent in Chicago and had a large territory.

## LIFE AGENCY CHANGES

### Criswell Now with Buffalo

Well Known Man in Life Insurance Ranks Takes Charge of Two States

Clinton F. Criswell of Chicago, who recently resigned as western supervisor of agencies of the United States Life, has been appointed agency supervisor of the Buffalo Life in Ohio and Michigan. The Buffalo Life is an old company insuring only members of the Masonic fraternity. It recently entered Ohio. Mr. Criswell will organize the agency force in the state in view of his wide acquaintance among members of both the York and Scottish rite bodies throughout Ohio. The Buffalo Life is now completing the transfer of its policyholders from the step rate to a 3½ percent level premium basis. Mr. Criswell served as executive secretary of the Cleveland Life Underwriters Association and later occupied a similar position with the Chicago Life Underwriters Association.

The Buffalo Life has assets of \$1,075,171 and surplus \$102,129. It began business in 1872 as the Masonic Life. It changed its name in 1927. It has over \$32,000,000 insurance in force.

### R. E. Neiman, G. C. Janney, Jr.

R. E. Neiman has been appointed general agent for the Pacific Mutual at San Diego, Cal., in charge of San Diego and Imperial counties, which have been withdrawn from the territory of the home office agency at Los Angeles.

The territory comprising Riverside and San Bernardino counties, together with that portion of Los Angeles county lying east of a north and south line along the west city limits of Glendora, excepting Covina, has been assigned to G. C. Janney, Jr., as general agent, with headquarters at Riverside.

### J. L. Prenskey, F. E. Vallette

The Continental Life of St. Louis has appointed J. L. Prenskey general agent at El Paso, Tex., and F. E. Vallette general agent at Salina, Kan. Mr. Prenskey was formerly with the Jefferson Standard Life and Mr. Vallette is a life insurance man with wide experience as a personal producer and agency head.

### S. C. Martin

S. C. Martin of Indianapolis has been appointed manager of the Indiana department of the Reliance Life. He will have his headquarters in the Guaranty building, Indianapolis.

Mr. Martin was born in St. Louis 31 years ago and began his life insurance career at age 20 as an agent for an eastern company. Seven years ago he transferred his connection to a mid-western company and became successively a special agent in St. Louis, supervisor of the salary savings department in the home office, assistant manager of the Indianapolis branch and for the past three years manager in Indianapolis.

### W. A. Conway

W. A. Conway named as manager of the branch office newly established at Philadelphia by the Continental American Life of Wilmington, Del., has had 20 years' experience in life insurance work, both in the field and at head offices. His first connection was with the Massachusetts Mutual, subsequently going with the Travelers and still later with the Penn Mutual. The W. A. Con-

way Agency will be distinct and separate from the F. E. Gendron Agency maintained in the Quaker City for some time past.

### W. B. Stannard

W. B. Stannard has been appointed Los Angeles manager for the Connecticut General Life to succeed M. P. Hawkins, former general agent, who resigned as of July 1. Mr. Stannard was formerly assistant general agent of the W. M. Hammond agency in Los Angeles of the Aetna Life, with which agency he had been connected for a little over three years.

### J. J. Appel, Arbor Gentry

J. J. Appel, for the past two years district manager of the Equitable Life of Iowa at Boonville, Ind., has resigned to become district agent there for the Lincoln National Life. He is succeeded with the Equitable by Arbor Gentry, for several years with the Metropolitan Life at Evansville, Ind.

### John G. Hoyt, Jr.

John G. Hoyt, Jr., son of the president of the Pyramid Life of Kansas City, Mo., and the Kansas Life of Topeka, has established a city agency at 401 Security building, Kansas City, Mo. He is building up an active office and has already secured more agents.

### George W. Jeffrey

The Lincoln National Life has appointed George W. Jeffrey as supervisor of agencies for Alabama. Mr. Jeffrey recently resigned as secretary and agency director of American Life of Alabama, a company formed by the merger of the American Standard and Amer-

## Goes to Toledo



H. P. GRAVENGAARD

H. P. Gravengaard, who recently resigned as general agent of the Aetna Life at Columbus, O., becomes general agent of the New England Mutual at Toledo. He became known for his talks on insurance and his contributions to the literature of the business. He is a well educated man and has had a large sales experience. He was formerly manager of sales training in the agency department of the Aetna Life at Hartford.

## Visual Selling —a reality

Through visual selling Bank Savings Life agents have been able to tell the true story of life insurance — and to tell it convincingly. Impressions through the eye outlive the spoken word. Such salesmanship becomes a well-ordered scientific process.

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BY

### Bank Savings Agents

The volume of insurance produced by our agents month in and month out demonstrates the soundness and desirability of "Visual Selling." Why not ask for more complete information about The Bank Savings Life methods and agency helps.

### TOOLS to help you SELL

- 1 Pre-Approach Plan
- 2 Canvassing Portfolio
- 3 Illustrated Brief

Write to  
**GEO. L. GROGAN**  
Vice-President  
In Charge of Agencies

**The Bank Savings  
Life Insurance  
Company**

Topeka

Kansas

ican Security. He had been with the latter company since its organization in 1928.

#### David A. Fellows

David A. Fellows has been appointed manager for the American Life at Flint, Mich. The company maintains offices at 326-30 Harrison street. Mr. Fellows has had extensive life insurance experience.

#### Life Agency Notes

**F. Kunzelman**, formerly of Chillicothe, O., has been promoted to superintendent of the Parkersburg, W. Va., district of the Western & Southern Life.

**G. P. Kordsmeyer** has been transferred from the Little Rock office of the Central States Life of St. Louis to Morrilton,

Ark., as district agent for Conway, Faulkner and Perry counties.

**T. J. Horton**, recently supervisor in the Buffalo agency of the John Hancock Mutual Life, has been made sales manager of the St. Paul office. He formerly was associated with that office.

**D. M. Roberts**, who recently joined the National Life of Toronto after several years' experience in investment business, has been appointed manager of the Toronto branch office.

**Sidney Ribman**, former president of the life underwriters' association at El Paso, Tex., has been appointed agency organizer of District 3 at Denver for the West Coast Life. He was formerly with the Travelers.

**C. C. Covatt** has been appointed district manager of the Great West Life at Centralia, Ill. He has been an agent at Kansas, Ill., since 1929, giving up his position as a bank cashier to enter life insurance.

## EASTERN STATES ACTIVITIES

### Get Data on Suicide's Affairs

**Companies Secure Court Order for Production of Evidence After Refusing to Pay Policies Totaling \$750,000**

BALTIMORE, Aug. 27.—Chief Judge S. K. Dennis has directed five men familiar with the financial affairs of the late T. E. Hambleton to appear in circuit court Sept. 5 to testify regarding the former Baltimore banker's financial condition. The action followed the filing of a petition by the National Life, Aetna Life and Fidelity Mutual Life, which had refused to pay policies on Hambleton's life totaling \$750,000, following a suicide verdict by Coroner Butler.

The companies then asked the court to obtain testimony from Hambleton & Co. officials and others regarding Hambleton's affairs. Witnesses summoned by Court Commissioner Morfit refused to divulge the desired information on the ground they were not required to do so until beneficiaries filed suit on the policies. Judge Dennis' ruling is an answer to that contention. The affidavits demanded will be filed with the court to be used for the information of the companies if and when suit is brought.

### Construes "Either Parent"

Where "either parent" is named as beneficiary, the insurer is fully protected in paying the proceeds of the policy to either parent, but if the company prefers to pay the money into court upon appropriate proceedings, it may do so. This was the decision of Attorney-general Lane, Jr., of Maryland, in answer to a request from the Maryland department following correspondence on this issue with the Mutual Life of Baltimore. Mr. Lane said there is a decided ambiguity in the wording of the policy. It may be intended to mean that the company may pay either parent, the selection to be made by the company. Such provisions, he pointed out, are analogous to what is known as the facility of payment clauses which are often found in industrial policies. On the other hand, the language may be intended to mean that the policy is payable to either parent on his or her demand.

Mr. Lane said the company has the right to pay the money into court in any case where it is deemed necessary to protect its interest. The company is entitled to do so especially where it has notice of dispute as between the beneficiaries.

### Pennsylvania Codification

Attorney-General Schnader of Pennsylvania has announced that the state department of justice will prepare codifications of the Pennsylvania laws on corporations, banking, insurance and building and loan associations for intro-

duction in the 1933 legislature. Governor Pinchot recommended drafting these codes in his 1931 budget message to the legislature.

**E. R. Shockley**, a deputy in the department of justice, will be in charge of the codifications.

### Investment Company's Plan

BALTIMORE, Aug. 27.—The Guaranty Investment Company, Charleston, W. Va., has been admitted to Maryland. It has an annuity plan by which applicants may buy contracts outright similar to a single life annuity offered by life companies, or may make deposits on these contracts on the installment plan. It also offers an investment plan with the addition of life insurance protection. The Eureka-Maryland Assurance will underwrite the company's contracts with life insurance features.

### Amber Visits Syracuse

Representatives of the Berkshire Life at Syracuse, N. Y., were guests at a luncheon in honor of President H. L. Amber of the company. George Harty, general agent, was toastmaster.

### Axman Addresses Training School

Clarence Axman, editor "Eastern Underwriter," visited the Boyce agency of the Equitable Life at Syracuse, N. Y., and addressed the training school for new agents. The Boyce agency expects to show a net gain in business this year of approximately 10 percent.

## Central Western State News

### Vermillion Agency Meeting

**Milwaukee Office of Mutual Life of New York Combines Business and Recreation on Eagle River**

District managers and officials of the G. T. Vermillion agency at Milwaukee of the Mutual Life of New York, held their agency meeting and summer outing at Froehlig's Hiawatha Lodge, near Eagle River, Wis. The meeting combined business with recreation. W. E. Riggs, manager of Omaha office, and J. A. Thomas, manager Minneapolis office, were guests.

During the three-day stay at Hiawatha Lodge, agents were given an opportunity to celebrate the birthdays of R. H. Overton, Janesville, and W. B. Bowen, Oshkosh. A huge cake, with candles, was included among refreshments.

Among those in attendance were: Mr. Vermillion, agency manager; P. J. Gib-

## MORE PROTECTION FOR SAME CASH OUTLAY

That's What Your Client Gets in Our New "Business Men's Special" Life Policy

A Contract Designed to Fulfill His Dreams by Giving Him Maximum Protection Now, When Needed Most, but with Sufficient Flexibility to Take Care of His Future Requirements

### Some of the Features

Term to Age 65—Convertible at attained age any time before Age 60 to any regular Life or Endowment plan—Substantial guaranteed annual credits on conversion—Guaranteed cash, loan or other non-forfeiture values beginning at end of third year and increasing annually—Usual disability and double indemnity benefits—Investment opportunity.

An Agency for You Somewhere in This Territory



Up-to-the-Minute Personal Accident and Health Policies





son, district manager at Milwaukee; J. S. Damon, district manager of Wausau; E. P. Drake, Kenosha; J. G. Hamilton, Wisconsin Rapids; W. B. Bowen, Oshkosh; L. E. Pennewell, Madison; R. H. Overton, Janesville; E. E. Trobridge, Sheboygan; E. H. Frey, Fond du Lac; A. S. Ryan, Delavan; M. C. Graff, Racine; R. F. Zimdars, Green Bay; D. E. Slack and N. Nelson, Viroqua.

### Prepare for C. L. U. Class

#### Chicago Life Men Hope to Interest Colleges in Establishing Courses This Fall

The leaders in the Chicago Life Underwriters Association that are interested in C. L. U. classes are taking up the subject with Northwestern University and the University of Chicago to see whether either one of these universities or both can dovetail in the C. L. U. course with its regular insurance program that forms a part of some of the business courses. Last year some active men in the business conducted the classes. This called for much time and effort. Many feel that if the universities can undertake this work they can offer professional teachers and those taking the course can pursue it in a more systematic way. Again, the course will provide a proper vocational training for young men in the colleges who desire to go into life insurance work. Some offices have already stated that if these courses are established and the students taking them comply with personality standards they will be taken on and a guaranteed salary paid.

The Chicago Y. M. C. A. will put on

a life insurance course leading to the C. L. U. examination.

### Sets Three-Day Record

The Morris Fishman agency of the Detroit Life in its home city booked more business the first three days of August than for all of August last year. The three days' production, with no contest or other stimulus, was \$187,000.

### Fuelbier Opens Life Department

The Fuelbier Insurance Agency at Quincy, Ill., has opened a life department as general agent for Adams county of the Abraham Lincoln Life. W. F. Winkelmann, who has been in the life insurance business in Jefferson City and in various Illinois cities, will manage the life department.

### Reed Wilson Qualifies

Reed Wilson, manager Atlantic Life, Chicago, and John F. Ewert, one of his agents, have qualified for the Ace Club and will attend the company's 12th annual convention to be held Sept. 8-11 in Toronto. Mr. Wilson became manager only a few months ago and is already making a good showing for this office.

### French Assigned to Ohio

E. E. French has joined the staff of the Detroit Life and has been assigned to special supervisory work in Ohio.

### Central Notes

The Oak Park, Ill., district of the Western & Southern Life held its annual picnic Aug. 22 at Wings Park, Elgin, Ill. The Equitable Life of New York has moved its Detroit office to the 14th floor Union Guardian Bank building.

## IN THE MISSOURI VALLEY

### Suicide Hint Is Inadmissible

#### Statement in Death Certificate Not Competent Evidence, Minnesota Court Holds

The Minnesota supreme court has ruled, in the case of Backstrom vs. New York Life, that inferences of suicide contained in a death certificate are not admissible in litigation between private parties. The supreme court granted a new trial to the plaintiff.

The Minnesota law provides that the medical certificate must show, regarding the death, "if from violence the means and circumstances of the injury and whether certified copies of this death record are prima facie evidence of the facts therein stated in all courts in the state." The supreme court held that the fact the insured died from a gun shot wound would be admissible if shown in the certificate, but the expression "suicide by fire arms" is an indication or inference dependent upon hearsay or opinion of the writer and it is not included in the statutory provision.

### Klingman Agency Conference

A group of officials of the Equitable Life of New York is attending the district conference of the Klingman agency in St. Paul Aug. 27-29, including W. W. Klingman, vice-president; Gage Tarbell, senior director; H. J. Rossman, agency assistant, New York; H. B. Kelley, regional group supervisor, Chicago, and A. M. Embry, agency manager, Kansas City. About 200 representatives of the Klingman agency in Minnesota, North and South Dakota are expected to attend.

### Bars Trading Stamp Plan

LINCOLN, NEB., Aug. 27.—Trading stamps receivable in payment of life insurance premiums will not be sanctioned by the Nebraska department, Commissioner Herdman announces, fol-

lowing receipt of a letter from an Omaha firm asking if the plan would be approved.

"Regardless of the legal phase of the matter," Mr. Herdman said, "I shall use my discretionary power to prevent such use of trading stamps which, I believe, cheapens and debases the business."

The commissioner believes the practice would come under the anti-rebating statute.

### Form New St. Paul Company

ST. PAUL, Aug. 27.—The Old Colony Insurance Co. has been incorporated as an assessment health, accident and life company. Incorporators include G. C. Rode, a clerk in the secretary of state's office; M. J. Somers, Minneapolis, and R. O. Kuchel, St. Paul. Application for license is pending.

### Starts Life Department

The Charles F. Williamson general agency of Kansas City has established a life department and will represent the Great American Life of Kansas. One of the active producers for the Great American Life will be placed in charge of the life department and will develop a life business throughout Missouri.

### Rebating Charge Dismissed

Commissioner Herdman of Nebraska has dismissed a rebating charge against the Old Line Life of Lincoln, although three of its agents lost their licenses. It was shown that the company's policies had been sold to the public as low as \$3 per \$1,000. No comment accompanied the decision. Agents whose permits were revoked were G. G. Withers, F. R. Eaton and J. A. Magnuson. Another agent has been cited to show cause.

Duryea's "What to Know About Life Insurance" gives the fundamentals in an easy way. Order from The National Underwriter. \$1.50.

## FIRST SECOND THIRD

In all our efforts to conserve and reclaim the business of life insurance companies, the policyholder's interest comes first.

After figuring what is best for the policyholder, our representatives adjust the case on whatever basis will be most satisfactory to the company.

Having safeguarded the interests of

both the policyholder and company, we are entirely willing to count ourselves third in the transaction.

Every member of DeBarry & Associates, Inc., is pledged to strict observance of this code of ethics under any and all circumstances, in consequence of which our files are full of complimentary letters from satisfied clients. Our service embraces every phase of conservation work, including:

1. Reclamation of lapsed policyholders, whether on extended insurance or paid-up status.
2. Prevention of lapses by prompt attention to policyholders who have loaned on their policies.
3. Transfer of insurance on an inadequate reserve basis to the full legal reserve basis.
4. The writing of additional insurance in YOUR company on the lives of old policyholders upon whom we call, and new business as a result of these contacts.

DeBarry & Associates, Inc., will either operate independently or work with your agents. Regardless of the method of operation, the good will of your agency force is maintained and the agents themselves become much more alert to the value of conservation work.

May we tell you more about the means and methods whereby we can bring about a real "Business Revival" right within your own ranks during the rest of 1931?

## DeBARRY & ASSOCIATES, INC.

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222 West Adams Street

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## Back

### of the Guaranty Life is Found

The impregnable Legal Reserve System

A strong financial foundation

The well seasoned Iowa insurance laws

Discriminately selected investments

A representative Board of Directors

An experienced Home Office management

Modern and liberal policy contracts

Officials who know the problems

An enthusiastic and hard working agency force

These constitute the very elements of permanency and progressive development. Tie to a company that is growing.

Desirable agency connections available in

Iowa  
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## Guaranty Life Insurance Co.

Davenport, Iowa

## juvenile policies “...JUST LIKE DAD’S”

**P**OLICIES “just like dad’s” must have, of course, the usual non-forfeiture provisions.

They do! Cash values, participating paid-up insurance, participating extended insurance, are available at the end of the third policy year, and thereafter.

### MUTUAL TRUST

LIFE INSURANCE COMPANY



This is the second of a series concerning Mutual Trust Life Insurance Company's Juvenile Policies.

## STATE MUTUAL LIFE ASSURANCE COMPANY

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WORCESTER, MASSACHUSETTS

*And Now—  
“BRASS TACKS”  
A New Training Course for  
“YOUR FIRST WEEK  
WITH THE STATE  
MUTUAL.”*

**INCORPORATED—1844**

**EIGHTY-SEVEN YEARS OF SERVICE**

## IN THE SOUTH AND SOUTHWEST

### Cancels Bankrupts' Policies

Two Contracts Each for \$200,000 Voided on Lives of Brothers at Their Request

LITTLE ROCK, ARK., Aug. 26.—An order by Referee in Bankruptcy J. H. Schneider on recommendation of the trustees of the McGill Bros. rice mill, Stuttgart, Ark., confirmed the cancellation by the Aetna Life of two policies for \$200,000 each on the lives of A. U. and H. T. McGill.

Cancellation was requested by the brothers, who said they believed their lives were in danger because of the existence of the insurance, which would have been paid to the mill for the benefit of creditors. The trustees at first decided to accept the \$8,480 cash surrender value offered by the company. Later they were convinced they could not prevent cancellation and that they had no choice under the law except to take the cash value.

### Complete Exchange of Policies

The National Standard Life of Houston through its Arkansas managers, F. M. Stapleton and H. H. Dawson, has exchanged approximately \$8,000,000 of the Ancient Order of United Workmen of Arkansas insurance, acquired by the National Standard in August, 1930. The old A. O. U. W. certificates were exchanged for National Standard policies. Stapleton & Dawson took charge last

January and completed the work July 1. The agency acquired approximately 65 agents by the merger.

### Life Company Not Affected

MONTGOMERY, ALA., Aug. 27.—The stringent law passed by the legislature, regulating burial and funeral associations in Alabama, does not apply to a life company in whose contract with the insured there is a provision for defraying the expenses of a funeral. Attorney General Knight holds in an opinion to Superintendent Greer.

The ruling was requested by R. P. Davidson, president Liberty National Life, of Birmingham, in reference to a certain policy of that company which carries the funeral provision.

### Reliance Life Alabama Meeting

Four officials from the home office and between 25 and 30 agents representing the Reliance Life in Alabama attended a sales conference in Birmingham last week. N. L. Tomlinson, supervisor for Alabama, was in charge.

### Association in Receivership

O. Curran of Dallas has been named receiver for the Citizens Benevolent Association and its officers enjoined from disposing of any assets or writing any further policies. A quo warranto proceeding filed by the attorney general charged that its charter expired July 15 and that it is now without legal status, but that the directors continued to operate.

## PACIFIC COAST AND MOUNTAIN

### Fraternal Tangle Is Settled

Agreement Reached Between Colorado Attorney General and Officials of Woodmen of World of Denver

DENVER, Aug. 27.—An agreement between officials of the Woodmen of the World of Denver and Attorney General Ireland of Colorado provides for the dismissal of upwards of \$1,000,000 in claims and suits pending against the order.

When the fraternal took steps to change its constitution and go on an adequate reserve basis many members failed to pay the higher rates. There were numerous claims and suits where deceased members' insurance was reduced in amount through failure to pay the increase.

The Colorado supreme court held illegal the change in the constitution ordered by the head camp at Oakland on the ground there had been no rollcall. The head camp then held a special session in Denver and again the change in constitution was ordered, 1,276 to 59, with a rollcall of all delegates present.

Under the agreement between the attorney general and Woodmen officials claims are to be divided into two large groups. The first group comprises claims for insurance for the death of members who declined to pay the increase in premiums but were willing to pay single assessments. The second group includes claims of beneficiaries of members who changed from the assessment to legal reserve insurance but accepted a reduction in the face of their policies. The deaths covered in these claims were prior to the special session.

The plan of settlement provides for paying beneficiaries in the first class the face of the policies less the amount of the assessments due from the time the change was first made to the time of death. Beneficiaries in the second group will be paid the face value of the reduced policies plus varying sums up to

75 percent of the difference between the old and new policies, less assessments due and payable.

### Receivership Ordered

DENVER, Aug. 27.—Harry Casaday was named receiver to conserve the assets of the Progressive Insurance Co. by Judge Bouck in district court. Receivership was sought in a suit filed by A. C. Pierce, W. B. Calbeck and A. H. Merrifield, stockholders, who alleged mismanagement. The court ordered the cancellation of 80,000 shares of stock issued to M. M. Byrnes and 9,120 shares to Galen Byrnes, defendants, and enjoined them from transferring or encumbering the assets. The Progressive was organized about two years ago with a view of qualifying to write life insurance.

### Insurance Murder Decision

The California district court of appeals for the second appellate district has held that the beneficiary under a life insurance policy who murders the insured cannot recover on the instrument, and the right of action under the policy vests not in the heirs of the murderer but in the heirs of the assured.

### Address Advertising Men

Gordon Thomson, vice-president West Coast Life, and H. A. “Hi” Binder, general agent Massachusetts Mutual, will be principal speakers before the San Francisco Advertising Club at a luncheon Sept. 3. They will talk on selling life insurance through direct-mail advertising. F. G. East, manager sales promotion department, West Coast Life, is chairman of the day. Members and officers of the San Francisco Life Underwriters Association will attend in a body.

Get “Forty Unusual Plans for Selling Life Insurance,” by J. Stanley Edwards, from The National Underwriter. \$2.50.



## ACCIDENT-AND HEALTH FIELD

### Lapsation Now Big Problem

**Report New Production Good, But Not Enough to Offset Loss of Old Business—Claim Ratio Is High**

Lapsation rather than the securing of new business is the big problem with the accident and health companies today. One of the largest specializing companies in that field reports that its new business is decidedly ahead of last year, but that this increase is not sufficient to overcome the lapses, so that its premium income for the year is likely to be considerably decreased, while the expense ratio will be increased. The same commission, of course, is paid by accident and health companies on new and renewal business but there is a certain amount of home office expense attached to the issuance of new policies, not very great in each case but mounting up in the aggregate.

The loss ratio on accident and health business is also continuing high. There have not been so many principal sum claims as there were earlier in the year, but there have been many prolonged weekly indemnity claims, apparently the result of malingering, although this is very difficult to prove.

Not only are the companies encountering a vast amount of malingering these days, but some insurers report that policyholders are making claims for illnesses of short duration, which occurred a year or more ago. People who are unemployed are scratching the gravel pretty thoroughly for morsels. They run over their insurance policies, borrowing on their life insurance, perhaps surrendering their automobile insurance, and when they come to the accident and health policy, perhaps recall being laid up a year or so ago and put in a claim. Of course, these claims are not valid, because of the requirement that the company be notified within a reasonable time.

### Beacon Mutual Gets License

The Beacon Mutual Casualty of Chicago, which is being organized to write eye-sight insurance, has received an Illinois license, having complied with the new law of that state requiring a deposit of \$10,000 from mutual casualty companies. T. L. Kopelman, who for nine years was vice-president of the Chicago National Life, is the principal factor in the Beacon Mutual Casualty and he holds the title of treasurer. He is now in process of completing the personnel

of the company. Offices are at 333 North Michigan avenue.

Policies will be issued to ages 10-55. The premium is \$2 for the first year and \$1 for every year thereafter.

For loss of sight of both eyes by accidental injury or disease, the policies pay scaled benefits from \$1,500 during the first policy year to \$10,000 during the seventh policy year and thereafter. Loss of sight of one eye by disease pays benefits ranging from \$250 for the first year up to \$1,000 for the seventh year and thereafter. Loss of sight of one eye by accidental injury pays \$250 during the first policy year and \$500 during the second year and thereafter.

The Beacon Mutual Casualty reserves the right to require a surgical operation. If the operation is unsuccessful, the cost of the operation up to \$200 will be deducted from the benefit. Free biennial examinations are provided for policyholders. A number of ophthalmologists, distributed throughout Chicago and Illinois, are being retained to give service.

### Tractor Accident Excluded

The California district court of appeals for the first appellate district has held that a tractor which is not equipped to carry passengers, and has room only for the driver, who rides on it but not in it, is not a "motor driven car" within the meaning of an accident policy which provides for the payment of benefits in case of injury or death as resulting from "the wrecking or disablement of any private automobile, motor driven car or horse drawn vehicle, in which the assured is riding or driving, or by being accidentally thrown from such wrecked or disabled automobile, car or vehicle." The case was Bowers vs. Continental Life.

### Texas Ruling Held Up

The Texas department has notified the companies operating in that state that its ruling on the "wrecking and disablement" clause in accident policies, which was to become effective Sept. 1, will be withheld for further consideration and will not become effective at that time.

This action follows a hearing on the new ruling held in Austin last Thursday. Many of the Texas companies were represented at the hearing and Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, appeared on behalf of the conference companies. Letters were also received from a number of companies, voicing their objections to the ruling.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature. Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and April respectively. PRICE, \$4.00 and \$2.00 respectively.

### Ohio State's Annuity Contract

**Issues Annual Premium Form Under Which Purchaser May Elect Several Options**

The Ohio State Life has issued a new "annual premium retirement annuity" contract in units of \$100 annual premium. Premiums are the same for both men and women, but the income benefits differ. The contract has guaranteed cash surrender values and paid up annuity values. It is participating and dividends are payable annually.

The purchaser may elect to receive monthly annuity payments between ages 50 and 70, and also has two annuity options: first, straight life annuity, or second, special refund annuity. The lat-

ter provides that if death occurs after income payments have begun, but before an amount equal to cash value of contract at retirement has been received, the difference between such cash value and income payments already received will be paid to a designated beneficiary in monthly installments.

Death benefits consist of the total deposits made or cash value of contract at time of death, whichever is larger.

A table prepared in connection with the policy shows that the death benefits per unit are: first year \$100; tenth year, \$1,063; 20th year, \$2,634; 30th year, \$4,809; 40th year, \$7,876; 50th year, \$12,202.

### Oregon Mutual Life

The Oregon Mutual Life has just published a new simplified rate book. It

# No. 8 of

## ATLANTIC ADVANTAGES

**Best expressed in the words of a new General Agent:**

"Atlantic is large enough and strong enough to recommend to my best friend, but not too large for the advancement of the man who can prove his worth."

## ATLANTIC LIFE INSURANCE CO.

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## Independence

Today, more men than ever before are creating estates through Mutual Benefit life insurance. These men know nothing of the old time "penny-pinching" methods of saving. They have that certain confidence that comes from having definite resources behind them — a reserve that can be depended upon to help meet future contingencies.

The Mutual Benefit's eighty-six years of successful estate building is inspiring men everywhere to achieve independence through life insurance.

## The Mutual Benefit Life Insurance Co.

Newark, N. J.

**..modern life insurance since 1845..**



## SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid  
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

*Operating in Illinois, Michigan, Indiana and Missouri*

## INTERSTATE RESERVE LIFE INSURANCE COMPANY

*A Mutual Legal Reserve Life Insurance Company*  
Ten East Pearson Street Chicago



**GOOD WILL  
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**IF YOU** want the kind of business that good will creates—the friendly, profitable kind—present your good clients with their policies inside a Monarch WALLET. The result will make you an optimist!

Ask insurance men who use MONARCH WALLETS to tell you what they have accomplished for them. They'll tell you that these handsome wallets of genuine leather are business-getters of the first rank. They make friends too—and that's just what every insurance man needs!

Write us for our descriptive folder. It gives full information. It will give you an idea that will increase your July volume.

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**BUSINESS  
BUILT ON A  
BASIS OF  
GOOD WILL  
IS THE BEST  
KIND OF  
BUSINESS!**

has a cross reference index referring to every probable company procedure.

Two new annuity forms, a cash refund and a retirement, both on the single premium payment plan, and two forms of life insurance—a paid-up at 65 endowing at 85, and a reducing premium 20-pay life endowing at 85 have been added to the company's line.

New tables to illustrate the operation of the five settlement benefits have been included. The book is of loose leaf construction. There are nine major editions and 14 important changes in the new book.

### ASSOCIATIONS

#### San Francisco Getting Busy

**President Shapro Leads Campaign to  
Double Membership in Preparation  
for National Convention**

With the return of B. F. Shapro, president San Francisco Life Underwriters Association, from a trip east, where he attended the general agency conference of the Penn Mutual, the membership campaign of the San Francisco association took on new vigor. A mass meeting was held at which President Shapro and Chairman J. M. Hamill were principal speakers.

In Mr. Shapro's absence, Chairman Hamill and his committee organized the city, with its more than 2,500 life agents and 80 agencies, with majors in charge of a certain number of the companies, each having as assistants, captains and contact men in each agency. It is planned to solicit every non-member Aug. 31, the day set for "doubling the membership."

A "monthly deduction plan" of financing dues has been worked out. General agents and managers will remit direct to the association. Indications are that the membership will be more than doubled.

Following the increase in memberships, delegates from San Francisco and the East Bay associations will be prepared to go to Pittsburgh and endeavor to secure the 1932 convention of the National Association of Life Underwriters for San Francisco bay area, with San Francisco and the East Bay (Oakland) associations as joint hosts, and with a membership in excess of 1,200.

The evening of Aug. 27, more than 50 members of the San Francisco association staged a meeting at San Jose with a view of trebling the membership in there. When the membership is satisfactory there, it is planned to apply for a direct charter from the National association.

\* \* \*

**Greeley, Colo.**—H. O. Smith of Denver, president of the Colorado association, spoke before the Greeley association last week. He informed the members that the Colorado association is not conducted for the sole benefit of Denver members but that an important function is to give help to life men throughout the state. He said men from various localities are placed on committees, and explained a plan that is being perfected to send well known Denver speakers on life insurance topic to other cities desiring them.

\* \* \*

**Baltimore**—At the annual meeting of the Baltimore association, Sept. 10, nominations for officers will be made as follows: President, E. L. Anderson, Travelers; vice-president, F. B. Addison, Penn Mutual; secretary-treasurer, G. S. Robertson; directors: H. Angell, Metropolitan; Clayton Demarest, Jr., Atlantic Life; H. W. Gardiner, Guardian Life; W. P. Stedman, National Life of Vermont, and Allen S. Young, Provident Mutual.

\* \* \*

**District of Columbia**—The District of Columbia association held its golf tournament last week. J. A. Maloney, Equitable Life, had low gross score, 79, and J. H. Baldwin, Northwestern Mutual, low net, 74.

The managers' section will hold its next meeting Sept. 8 and the association proper meets Sept. 10.

\* \* \*

**San Jose, Cal.**—Life underwriters of San Jose were addressed at a meeting Aug. 27 on business building methods by

## ACTUARIES

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307 Peoples Bank Building  
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### MISSOURI

**ALEXANDER C. GOOD**  
Consulting Actuary  
807 Paul Brown Building, St. Louis  
and  
800 Securities Building, Kansas City

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**LIFE INSURANCE AS A PROPERTY  
INVESTMENT**  
"It will revolutionize Life Insurance selling"  
says one Company President. Exclusively  
and completely developed only in the New  
Training Course, "The Essentials of Life  
Underwriting," by Abner Thorpe, Jr. Pub-  
lished by The Diamond Life Building, 48  
East Fourth Street, Cincinnati, Ohio.



B. F. Shapero, general agent Penn Mutual and president San Francisco Life Underwriters Association; J. M. Hamill, a leading personal producer of the Equitable of New York, and J. J. Valentine, unit manager for the same company in San Francisco. Graham Peake, New York Life, San Jose, was in charge of arrangements, and R. E. Orth, manager Home Life of New York at San Francisco, managed the details for his association. The San Jose life agents have no local association but last year a majority of them joined the San Francisco organization. The latter association holds periodical meetings in San Jose to aid these out-of-town members.

**Seattle**—Seattle life underwriters will be addressed Sept. 3 by President T. I. Parkinson of the Equitable Life of New York.

President Parkinson is spending a month in the west and will be the guest of the C. J. Sauter agency of Seattle at its agency conference at Harrison Hot Springs, B. C., Aug. 31-Sept. 2, with 75 agents and their wives in attendance.

**San Francisco**—Arrangements have been completed for Dr. S. S. Huebner, dean of the American College of Life Underwriters, to address members of the San Francisco commercial club, chamber of commerce and San Francisco association, Aug. 31. He is on a tour of the country for the Massachusetts Mutual, conducting brief business instruction lectures. Last year Dr. Huebner addressed the same organizations in San Francisco and attracted a large audience, attendance being over 1,100.

**Dickinson, N. D.**—The Dickinson association has been organized with B. H.

Crawford as president; Ben Booke, vice-president; R. C. McCain, treasurer, and O. R. Knudson, secretary.

Tom Haggerty, Bismarck, president of the Missouri Slope association, was present at the organization meeting, which was attended by 12 life underwriters.

**Peoria**—C. C. Thompson of Seattle, first vice-president of the National association, is scheduled to address the Peoria association the evening of Sept. 18 on his way to the Pittsburgh convention.

C. W. Rowling, chairman of the special sales congress committee, announces that the Oct. 10 program in Peoria will include Dr. S. S. Huebner; R. B. Hull, managing director National association; Commissioner Hanson of Illinois; T. W. Callihan, agency supervisor John Hancock; J. S. Maryman, special agent for the Aetna Life in Little Rock.

Fifteen members of the Peoria association have made reservations to attend the national convention.

**Los Angeles**—The first meeting of the Los Angeles association under administration of President R. A. Brown, million dollar producer of the Pacific Mutual, will be held Sept. 1. The guest speaker will be Dr. S. S. Huebner, dean American College of Life Underwriters, who will talk on "The New Era in Life Underwriting."

**Kansas City, Mo.**—Dr. S. S. Huebner, University of Pennsylvania, will speak to the Kansas City association Sept. 9. Dr. Huebner will be the guest of C. L. Scott, general agent for the Massachusetts Mutual.

## MISTAKE TO ENTER A. & H. FIELD

(CONTINUED FROM PAGE 3)

disability of \$13,250,000 in round figures, while 145 companies reported losses on disability amounting to nearly \$51,750,000.

### Venture in A. & H. Field Is "Terrible Failure"

"This whole venture of the life insurance companies into the sickness insurance field has been a terrible failure. For at least ten years we have all earnestly tried to find out why we have failed and to apply corrective measures. These measures have also failed and I think it is now time for the surgeon's knife. I don't say that it is impossible to issue insurance against total and permanent disability. I still think it is possible to do so but I just don't believe that a life insurance company can do so as part of its life insurance policy—at least not to a greater extent than waiving the premium so as to prevent loss of the life insurance protection.

"If the disability income benefit can not be cut out altogether from the life insurance contract, then I think it is essential for the disability benefit to be so limited, cabined and confined that its value is very small when compared to the value of the life insurance protection. I believe further that independent machinery must be set up in the office of any life insurance company which grants disability income benefits so that the selection, admission of claims and follow-up of disabled cases can be handled separately and apart from the life insurance contract. Probably the only practical way to accomplish this would be to have the income disability benefit in a separate contract."

### Would Be Willing to Cease Sale of Benefit

Following is the position of the president of the Ohio company who would be willing to act in concert for the abolition of income disability:

"It is my belief that most of the com-

panies would be happy to discontinue the use of annuity disability benefits, and I understand that at the recent meeting of actuaries in New York the majority of those present expressed themselves as wishing to do so if 60 percent of the companies there represented would agree. Such an agreement was not then effected but I am hopeful that your symposium will so crystalize opinion on this point that enough companies might, either in concert or independently, be induced to discontinue annuity disability benefits so that the other principal companies will feel justified in following suit."

### Agency Pressure Affects Disability Underwriting

Herewith are presented the ideas of the executive of another Ohio company: "The principal difficulty of the disability clause is that the underwriting has been subject to agency pressure and has been done on a competitive basis. If the underwriting had been done without any regard to competition and if the limit of issue had been held to lower amounts in all companies, I do not believe the disability clause would be causing us so much anxiety and loss.

"The following suggestions have been made which I believe would go a long way toward eliminating loss, namely, that the benefit granted be one-half of 1 percent per month of the face amount; that the annuity be paid to the insured to age 65; that the benefit not be issued above age 50; that the premium rates remain as they are now, that the maximum amount of total and permanent disability carried in all companies should not exceed \$500 per month nor should it exceed 60 percent of the insured's earned income.

"The experience on female lives is known to be excessive, and while the benefit may be issued to female lives with strict underwriting, it possibly would be better to discontinue the is-

## Life Insurance As Investment

Two classes of men are today buying life insurance as an investment. They are not troubled about the hitherto definition of investment commonly accepted by purveyors of investments. They have learned the lesson of "Safety First." Many of them realize that ordinary investments in ordinary times are desirable and necessary. But they are not willing to take a chance with them in the present instability. Hence life insurance, whose contract values, they know, cannot fluctuate, and whose guaranteed incomes they know cannot be diminished, suspended, or destroyed.

One of these classes of life insurance investors is putting money freely into family protection plus old age support. The other class is buying contracts that have immediate money value and ultimate returns at a satisfying rate.

Life insurance holds today a major position in the investment realm.

### THE PENN MUTUAL LIFE INSURANCE CO. PHILADELPHIA

WM. A. LAW, President

Independence Square

Founded 1847

## Measured by Net Results

Truest gauge of a Company's rate of progress is its ratio of gain in insurance in force to total in force.

Applying this measuring-rod to the 1930 record, The Guardian ranks first among the 24 leading life companies licensed in New York State, having a half-billion or more insurance in force.

**THE GUARDIAN LIFE**  
ESTABLISHED 1860  
INSURANCE COMPANY of AMERICA  
50 UNION SQUARE • NEW YORK CITY

### THE UNITED STATES LIFE INSURANCE COMPANY

Organized 1850 In the City of New York Non-Participating Policies Only  
Over 75 Years of Service to Policyholders  
Good territory for personal producers, under direct contract  
HOME OFFICE: 156 Fifth Avenue, New York City

## No Depression Here!

The power of printers' ink to influence the thoughts and opinions of ordinary people is almost unlimited. Yet despite this well known power of publicity, newspapers and magazines the world over continue to remind the public that "times are bad."

There are thirty million people earning money in America. Savings banks contain a sum equal to the total earnings of America's workers for a period of eighteen months. The present volume of business measured by the number of articles, instead of by their value, is equal to that of 1929.

In short, the only reason for hard times is the fact that people have hard times on their minds.

BANKERS NATIONAL Agents have established for the first six months of 1931 an enviable record in attaining a higher average sale. Here the alert and wide awake Underwriter will find today the same opportunities that existed in so-called "boom times."

R. R. Lounsbury,  
President

George Ramée,  
Vice President,  
Supt. of Agencies

### BANKERS NATIONAL LIFE INSURANCE COMPANY

Bankers National Life Building

JERSEY CITY, N. J.

**If** you want to represent  
a company offering...

quick service  
fair dealing  
personal attention  
active help  
home office cooperation  
attractive policies  
practical suggestions

you need not look farther. The Shenandoah  
Life offers all these attractive features.  
Write Charles E. Ward, agency manager.

R. H. ANGELL  
President

E. LEE TRINKLE  
Vice-Pres.

W. L. ANDREWS  
Sec'y-Treas.

## SHENANDOAH LIFE INSURANCE COMPANY

ROANOKE, VIRGINIA

suance of the benefit to females entirely. "While I have no experience to refer to, I believe it is the general impression that the experience on some races is something like three times as heavy as others."

"The easiest way out would, of course, be for all companies to discontinue writing the benefit, and it seems to me that the best thing to do would be to underwrite our disability clause very severely, and attempt to place it on a self-sustaining basis before we talk about discontinuing the contract. Many, of course, wish that companies had never begun issuing the contract; however, now that we have it, it would be rather difficult to discontinue its issuance."

Following are the sentiments of the middle western company president who favors a change:

"Our general opinion for some time has been that some reduction in the amount of benefit and some restriction in the clause itself, either by lengthening the period required for presumption of permanency, or decreasing the age at which the benefit would terminate, or both, would be more likely to prove remedial than an attempt to find premium rates which would cover the present benefits. Different underwriting methods and different claim methods, of course, are required for the life business, but it seems to us that our life companies should be equipping themselves to handle those problems."

### Life Companies Seek New Pasture

(CONTINUED FROM PAGE 3)

association. Mr. Patton was honorary chairman of the convention. In his agency, F. G. McCain has charge of the life department, but Mr. Patton is much interested in the work.

Mr. Patton says that, although he has had a life connection for only a year and a half and Mr. McCain has been with him only since September, that the profits from his life department are greater than from all his other insurance operations combined. This is true, largely, he declares, because less overhead is involved in the life department.

Not only are the life companies interested in entering local property insurance agencies, but they are interested in entering general property insurance agencies. Some general agents for fire companies have been put under contract by life companies to appoint new agents and have been successful in planting the life company with those fire agents who report to them.

#### Different Approach in Life Insurance

Some life companies have felt that connection with local agencies is bound to be profitable on the theory that clients of property insurance men will offer them life business voluntarily and without much soliciting effort on the part of the local agent. This theory is pretty much exploded, however. Much fire, automobile or compensation insurance and other casualty and fire lines, is placed without much sales effort. It is a competitive business and the salesmanship is based pretty much on what the agency has to offer in the way of service rather than on the necessity for the insurance itself. Few people buy life insurance of their own accord, without being solicited, and many property insurance men, not trained in life insurance selling, are not habituated to opening up personal questions which life insurance selling involves.

#### Must Employ Life Insurance Technique

Accordingly, life insurance executives now find that a life department with a real life insurance salesman at the head of it is needed to make a success in a local agency. The life insurance manager has access to the files of the agency, which is the principal advantage. He has the prestige of the agency behind him as well as of the company, but the life insurance technique must be employed in selling.

Planting with local agencies is not altogether confined to the smaller life companies. Some general agents for larger life companies, casting about for new blood, are putting local agencies under contract. Some of these life general agents consult hand books and circularize a principal agent in each town in a territory who is not shown to have a life connection.

Some agents find that not only do the fire and casualty departments supply prospects for the life department, but as the life department gains momentum, it turns up fire and casualty prospects.

Duryea's "When to Stop Talking" is a gold mine of helpful suggestions. Order from The National Underwriter. \$2.00.

### Sees Investment Problem Difficult

(CONTINUED FROM PAGE 3)

haps commensurate with the farm loan situation of the last few years.

In many cities there has been a serious over-building of apartments, hotels and also the small, so-called "contract" bungalows. Particularly in the apartment class has there been, and is now, a situation brought on by high building costs and cupidity of some real estate men and apartment owners, in which post-war high rentals have not been reduced and thousands of flats have remained vacant for months as a result. The dregs of this unwise policy now are being realized. Mortgagees are foreclosing.

The executive points out that, for the purpose of an insurance company at present, no loan is sufficiently low if foreclosure is obligatory and the carrier becomes the owner of the property.

Life insurance companies in the last few years have come to realize this basic fact in farm loans. They have had to organize farm management departments, rehabilitate farms at great expense to make them at all saleable on a slack market, put tenants in charge, and thus depart far from their normal functions. Most companies are now convinced that danger lies ahead for them in thus accidentally becoming real estate operators.

#### City Loans Are Tighter

The executive mentioned says for many years his company has bought selected Chicago real estate mortgages and until recently had very few foreclosures. However in the last year there have been many. The company has not completely banned such loans but is accepting only those which are gilt-edged, and only after investigation to determine whether the mortgagor is operating on a proper basis and will pay out, except for unforeseen contingencies.

The Association of Real Estate Taxpayers of Chicago charges oppressive taxes and a chaotic tax situation there have been responsible in the last three years and a half for a tremendous total of foreclosures. The association estimates foreclosures in the period at \$1,341,000,000, of which \$132,819,084 was in 1928, \$162,591,088 in 1929, \$244,346,577 in 1930, and \$176,452,448 in the first half of 1931, the estimate for this year being around \$400,000,000.

Insurance company officials are fully alive to the danger in the Chicago situation. Two investment men of a great eastern company spent two days recently studying conditions and conferring with the real estate association. They expressed the opinion that the same danger exists in almost every other city of this country, but that the Chicago situation became critical first, due to its large industrial population, unemployment and inability of small owners to meet obligations on real estate mortgages.

"My memory goes back to an oats market as low as 11 cents," the company president aforementioned states, "and I have a long memory. The present market of 14 cents is therefore nearly as



low as I have ever known. Wheat is selling at a starvation price. I heard of a farmer who brought several cases of fresh eggs to Chicago just last week and was paid 5 cents a dozen. I know many cases in which farmers have had to sell their produce at an actual cash loss, without considering their time worth anything. The farmers' situation has every appearance of growing worse, rather than better, and so farm loans appear to me extremely hazardous.

"Stocks, both common and preferred, are of course speculative. No one knows whether the bottom has been reached. Of course it is possible to buy them on the present market and show a profit on a long pull, but that is not a safe policy for an insurance company to pursue.

"We are concentrating on investments

in bonds—mainly first class municipals, public utilities and industrials. But so are all the other conservative investors, and the result is unusually keen competition for the AA-1 issues. They are snapped up as soon as issued. This makes unusually difficult at this time the duty of an insurance company official to invest income quickly and safely. I do not doubt there is a great deal of insurance money lying idle every day for want of proper investments. It is one of the chief problems of executives today.

This is a situation of the greatest concern to smaller carriers, particularly middle western, southern and Pacific, who have not the means with which to employ investment men of long training in New York and Chicago essential to profitable diversified operations on a market such as the present.

## Digest of Court Decisions

### Interesting Double Indemnity Case Decided in Alabama

The United States circuit court of appeals of the fifth circuit, Alabama, in *Sargent vs. Mutual Life of New York* decides a double indemnity case. At the close of the evidence the company moved for an instructed verdict on the ground that the evidence did not permit of any other conclusion than, though the deceased came to his death through external and violent means, yet death was not an accidental one because induced by his voluntary action when he knew, or ought to have known, that his death would reasonably result.

#### Testimony in the Case

There is testimony of an insulting, abusive and threatening attack, wholly unprovoked, made upon Beck, the insured by the man who killed him. At the time the insured and his companion, Mrs. Thurman, to whom he was engaged, were assisting Tapp, the slayer, to get his car out of the ditch in which it was overturned. As the result of the encounter between Tapp and Beck, in which Tapp wildly flourished his pistol and scattered the crowd, everybody went away from the place except Tapp and Mrs. Thurman, Beck and Nix. Nix testified that the assured stated that he ought to shoot Tapp. The assured started toward Tapp and jerked his pistol from his pocket. There was other testimony in which Tapp claimed that Beck put chunks in the road to ditch his machine.

The court held that on testimony,

the jury concluded, as it had a right to do, that Tapp, drunken and dangerous, incensed because of his fancied grievance at Beck for putting chunks in the road, was moved to the killing by Mrs. Thurman's just and bold resentment of his measures and that drunk and irresponsible he did just as Mrs. Thurman said, commenced the firing, Beck, shooting only in self defense, to protect himself and Mrs. Thurman. In such a case the court says what men did, and what reasonable men would have expected to flow from what they did was for the jury to decide. The judgment against the company is affirmed.

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#### Change in beneficiary effective—

When the assured has done everything he could have done to arrange for change of beneficiary before his death, although dying before the change could be effectuated by the company, the change must be held effective as against the prior beneficiary, according to the New York appellate division for the first department in *Chatham Phenix National Bank & Trust Co. and Travelers*, who had submitted the controversy for adjudication.

The assured, Lynnwood Farnam, had two Travelers' policies. The Chatham Phenix National Bank & Trust Co., as trustee, was designated beneficiary. Neither policy had been assigned. Farnam procured and executed proper forms for changing the policies, so that his father and sister would become beneficiaries. They were transmitted to the home office of the Travelers, where they were received on Saturday, Nov. 22, which was a half holiday. Farnam died Nov. 23. The Travelers on Nov. 24, ignorant of his death, approved in writing the change in beneficiary of one policy. Because the number of the other policy had not been correctly set forth upon the other of these instruments, the Travelers did not then endorse its consent as to that policy. After learning of Farnam's death, the Travelers did nothing further with respect to noting its consent. The Travelers waived the requirement of its written approval of change of beneficiary as to both policies and agreed to pay the policy to whichever party the court should direct.

The court held that the provision requiring written assent by the Travelers was solely for its own benefit. If waived by the insurer, a prior designee would not be heard to complain. Inasmuch as Farnam had done everything that could have been done to effectuate its purpose and the Travelers had waived its right to require his written consent, the change must be held effective as against the prior beneficiary.

\*\*\*

Company upheld in lapse issue—The United States circuit court of appeals for the tenth circuit (Utah) has upheld the Western States Life in a contest involving a policy which had been borrowed against and the balance used to purchase term insurance, expiring two years before the death of the insured.

# if you want—

—Unrestricted Territory

—Vested Renewals

—Agency Building Opportunity

—Home Office Co-operation

# then you want

the

Square deal

Agency Contract

as issued by

**Guardian Life**  
Insurance Company

MADISON, WISCONSIN

Address W. J. Wandrey, Secretary and Agency Manager

## OUR PRODUCER'S CONTRACT MAKES OLD BUSINESS HIGHLY PROFITABLE

- The President of our Field Club has been under contract eight years. His first applicant had two small policies with two other companies. He now has four American Central Policies for a total of \$36,434. His old insurance is likewise still in force.
- The unusual plan of renewal compensation in American Central contracts makes service for, and contact with, old policyholders highly remunerative—to say nothing of the excellent initial commissions on repeat business which result from this plan.
- This contract is offered only to those who are interested in personal production—not General Agents. The American Central recruits its organizers from the ranks of the salesmen who have been successful in its service.

Territories now under intensive development include  
Illinois, Indiana, Kansas, Michigan,  
Missouri, Ohio, Texas

**American Central Life Insurance Co.**  
Established 1899

Herbert M. Woollen, President

"Guaranteed Benefits

:-:

Guaranteed Low Cost"

## WANTED

Home Office Agency Position by man 36 years of age, married, college education in law, 8 years life insurance experience with 5 years in field as Agent, Asst. Branch Manager, Branch Manager; 3 years' home office experience as Agency Supervisor and Manager of Sales for large multiple line company—prefer Superintendent of Agencies position with financially sound small or medium sized company or assistant to Agency Executive with large company. Inquiry invited as to character and ability. Address U-7, The National Underwriter.

## Life Insurance, Trust Service

now go hand in hand. Men of affairs demand both. Life Insurance creates the estate. Our Protected Life Insurance Trust safeguards it.

A Special Reserve Fund of \$1,000,000 protects principal and income against loss.

Chicago Title & Trust Company  
60 West Washington St.

## What Is Your Goal?

Is it to sell life insurance for a company having a reputation of more than half a century of fair dealing? Is it to make a live and let live contract with a company offering close Head Office cooperation, modern policy forms and a successful lead service?

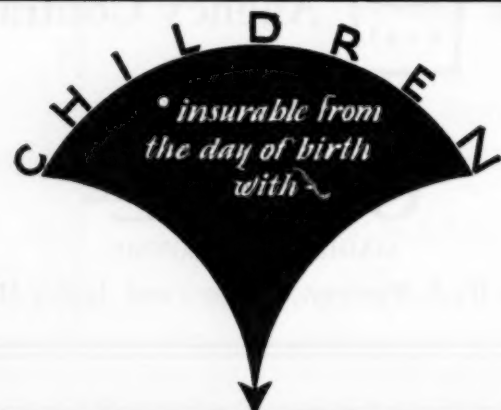
## Fidelity is such a company

It operates in thirty-nine states, including New York, on a full level net premium basis. It has more than \$425,000,000 insurance in force, is financially solid and steadily growing.

Family Income Retirement Income  
Low Rate Life

Send for booklet  
"The Company Back of the Contract"

**The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA**  
WALTER LEMAR TALBOT, President



**The Lincoln National Life Insurance  
Company, Fort Wayne, Indiana**

## ASSETS GAIN NEARLY 15 MILLIONS

Total Admitted Assets, December 31, 1930:  
\$148,905,570.40

Total Admitted Assets, December 31, 1929:  
\$133,931,890.94

Gain, 1930 over 1929:  
\$14,973,679.46

## Bankers Life Company

GERARD S. NOLLEN, President

Established 1879

Des Moines, Iowa

1851 "Eightieth Anniversary Year" 1931  
**Co-operation - Sincerity - Service**

Our Motto for 80 Years

Ask Any Berkshire Agent

**BERKSHIRE LIFE INSURANCE CO.**

Incorporated 1851

PITTSFIELD, MASSACHUSETTS

The case was Bach vs. Western States Life.

The policy for \$5,000 was issued May 10, 1915, and the insured died May 27, 1927. The Western States Life contended and was upheld in the contention that the policy lapsed July 2, 1925.

At the end of the eighth policy year, the policy carried a cash value of \$825 or an extended insurance for seven years and 204 days, when the insured borrowed \$601.80. The premium of \$182, due May 10, 1923, was not paid, nor did the insured pay any part of the principal and interest on the loan. On June 11, 1923, the Western States charged the then due and unpaid loan against the reserve value, the balance of \$223.20 being applied to automatic term insurance which expired July 2, 1925, two years before the death of the insured.

The court held that the action of the company was in accord with the contract. By paying premiums for eight years, the insured had built up a reserve of \$825. He could take this in cash, or he could purchase extended insurance for a term, or purchase a paid-up policy for a limited amount. What he did was to take \$601.80 in cash and use the balance to purchase term insurance.

Date policy received not premium due date.—In a question involving whether the date on which the policy was received by the assured or whether the first day of the month was the date for payment of the monthly premiums under a cash savings step rate plan policy, the Golden Rule Life has been upheld by the Arkansas supreme court.

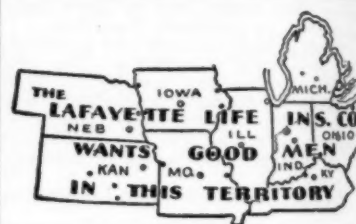
The policy was received by the assured on the 10th day of a month, but the court held that the assured recognized and specifically agreed that the first day of each month was the due date. Notice was sent the assured that the premium for June would be due June 1 and must be paid prior to June 20 or the policy would lapse. On June 23 notice was sent that the premium had not been paid and the policy had lapsed. The assured was killed June 29. If the tenth of the month had been held to be the due date, the policy would have been in force June 29, but the court held the first of the month to be the due date. The case was Craig vs. Golden Rule Life.

Absence from state established by circumstantial evidence.—The proof of absence from the state, bringing into operation the presumption of death, rests upon circumstantial evidence, according to the Arkansas supreme court in ruling against the company in Metropolitan Life vs. Fry. The Metropolitan contended that the proof was not sufficient that the party who disappeared ever actually left the state, so as to bring the case within the provisions of the statute. The court held that the facts and circumstances warranted the finding that the party had absented himself beyond the limits of the state for five successive years and must be deemed dead.

Right upheld to assign policy as collateral without consent of beneficiary.—The Florida supreme court, in Moon vs. Williams, et al., has decided that an assured, who reserves the right to change the beneficiary, may assign the policy to a bank as collateral security without the beneficiary named in the policy joining him in such assignment. The court held that where there is reserved in the assured the right without the consent of the beneficiary to change the beneficiary upon the sole condition that the assent of the insurer be acquired, the beneficiary named in the policy only acquires an expectancy. The effect of the assignment is to place the assignee in the same status with respect to all rights and liabilities under it that the assured occupied before the transfer. A life insurance policy is a mere chose in action and unless some provision of the contract forbids its assignment, it may be assigned as other choses in action. The assignee acquired the right to foreclose its lien created by the assignment to enforce the payment of its debt.

## READ AND WRITE

If you represent a good sound company and want to make money while living in a good town on Federal Gulf to Lakes improved highway, double tracked railway system, near schools and churches, low taxes, electricity, healthy, fine crops; steady payroll industrial town, that has real people wanting an honest man to handle their insurance plans for them, big territory, no near competition. Write for full information to Ray Edwards, Chelsea, Oklahoma.



**No Better Territory  
No Better Company  
No Better General Agent's  
Contract Than Our Service  
Pension Contract**

**THE LAFAYETTE  
LIFE INSURANCE CO.**

W. W. Lane, Secretary  
F. L. Alexander, President  
W. R. Smith, Field Vice-President  
LAFAYETTE, INDIANA



Insurance Audits  
**SWC**  
A NATIONAL ORGANIZATION FOR CONSTRUCTIVE SERVICE  
Budgetary Control

**Scovell, Wellington  
and Company**

ACCOUNTANTS—ENGINEERS  
10 East 40th Street, New York

Boston Springfield Philadelphia  
Syracuse Cleveland  
Chicago Kansas City San Francisco

## Wanted!

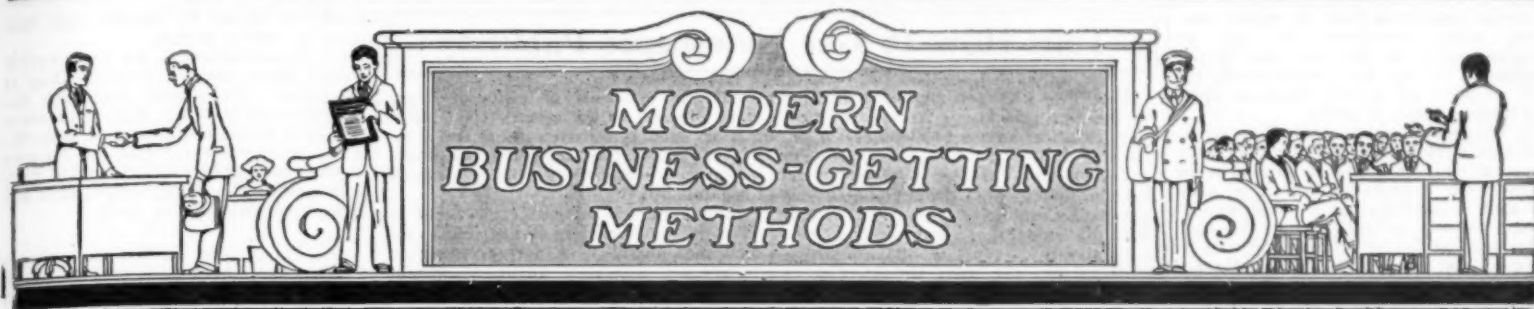
**GENERAL AGENTS**

in  
Chicago  
and  
Central and Southern Illinois

**St. Louis Mutual Life Insurance  
Company**

3640 Washington Blvd. St. Louis, Mo.





## Answers Given to Principles and Salesmanship Questions in June Examination for C. L. U. Degree

### Life Insurance Salesmanship

(CONTINUED FROM LAST WEEK)

#### QUESTION 4

(a) What is meant by programming a man's estate? (b) What fundamental knowledge is required on the part of the life underwriter in preparing such a program? (c) Enumerate the points which must be covered in an insurance program.

#### ANSWER

(a) Programming a man's estate to me has always meant first, an analysis of what he has in the way of assets and liabilities, both in general estate and insurance estate; second, consideration of plans and desires for self and family for the future; and, third, tying them all together in a definite program for future accomplishment.

This program, to be effective, should cover the creation, distribution and pre-administration of the estate with insurance and general estate dove-tailing for efficient accomplishment. The program should also be broad enough and far-sighted enough to cover future acquisitions of property and to provide a worth while goal in insurance. A will is necessary. The insurance should be on an income basis.

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(b) The fundamental knowledge required by a life underwriter is that contemplated by the C. L. U. examinations which may be classified as to whether it pertains to:

1. Life insurance—its services in estate building and its relationship to general social and economic progress.

(1) Fundamental life insurance principles and practices, as: (a) The basic theory of life insurance. (b) Companies—types, and particular services. (c) Contracts—kinds, advantages of each. (d) Cost—comparative. (e) Special benefits obtainable. (f) Usual restrictions and limitations in policies. (g) General practices and methods of doing business. (2) Economic, political and social problems and the part which life insurance plays in their solution. (3) Personal and family needs for life insurance. (4) Business life insurance needs.

2. Property estates—including businesses. This involves a knowledge of such subjects as: (1) Corporation, partnership and individual business organization, financing methods, banking practices, credits and collections, investment principles, types of investments and similar subjects describing the business operations of mankind. (2) Methods by which comparisons of business activities may be effected, involving the use of accounting and statistics. (3) The general principles of law governing men in their business relationships.

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3. Wills, trusts and administration of both life and property estates. This would involve a knowledge of such matters, as: (1) Laws of descent and distribution. (2) Probate law. (3) Functions of executors, trustees, guardians, etc.—with particular reference to life

insurance trusts. (4) Inheritance and income taxation. (5) Insurance company services in administering life insurance proceeds.

4. Human nature and how to influence the action of man. This would have reference to knowing such things as: (1) The normal desires, ambitions, etc. of man. (2) Basic psychological principles which make a person act as he does. (3) Means by which appeals may be effectively directed to influence a prospect. (4) General principles and problems of salesmanship.

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5. Other information. While the above headings suggest the fundamental knowledge which a life underwriter should have in order to render competent and intelligent service, he must also have certain specific knowledge for each particular prospect, such as, name, age, marital condition, ages of wife and children, approximate income, occupation, other insurance, property estate, etc. His fundamental knowledge may then be applied to the specific case in order to work out a satisfactory solution.

(c) Points which must be covered in an insurance program.

1. Insurance in force should be checked and correlated with additional insurance.

2. New insurance either taken or planned for should cover needs—which are (1) Adequate cash settlement for payment of debts, liquidation of estate, etc. (2) Readjustment fund. (3) Income to wife for life. (4) Old age fund—also disability coverage. (5) Education of children. (6) Mortgage covered. (7) Life value capitalized if possible to continue family's share of earnings to family. (8) Bolster credit under certain conditions. (9) Systematic savings. (10) Absorption of stock in closed corporation. (11) Many other points to be considered—ideal program not always consistent with practical. Most important to me is tying up whole estate on coordinated basis and giving prospect a definite goal. For this reason I always talk larger amounts than I know will be taken immediately and of more needs than can at once be covered in order to stimulate action toward definite goal.

#### QUESTION 5

Discuss fully the sources from which a prospect list may be obtained.

#### ANSWER

Prospects may be obtained from several sources, depending upon the type of canvassing.

(a) Cold canvass.—Using names from telephone books, directories, club lists, building lists, graduate directories or plain door to door canvass. This method is good for any business written is of necessity on a merit basis. It keeps the salesmen toned up by the variation of types of people interviewed. Much business is written on this basis though it usually requires more time than other methods.

A variation of the above is sending a letter to prospects selected as having a

need for a particular use of insurance, such as stock-retirement, and thus specialize in one line.

(b) The so-called endless chain method of securing names of prospects from satisfied clients, such as brothers, relatives, friends, or business associates of the satisfied client who have need of the particular service you have rendered him. It is best to get a direct introduction to the prospect, or a letter sent from the client to the prospect commenting favorably on your work. Determine ahead of time whether or not you can use the client's name. If specific permission is not secured, the client quite often considers it a breach of trust to use his name.

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(c) The center of influence method.—Select a man whose opinion may be followed by many, and sell him indirectly on your plan. One method of this is the "promising young man" approach to executives of large sized corporations (incidentally it's an indirect approach to them). Get the president of a firm to list in his own handwriting the names of the promising young men in his employ. With the names in his handwriting, the underwriter can make an excellent approach.

(d) People met in the ordinary course of social life. It is best to guard against becoming a pest to friends. The approach in this case should be by an indirect method. Show a friend the plan you intend to present to some one else.

(e) One's own list of policyholders is by far the best. He has already sold them, has their confidence. Their needs increase and change so if he doesn't sell them, some one else will. Underwriters should spend more time in this particular field.

#### QUESTION 6

(a) Distinguish between excuses and objections offered by the average prospect in the interview. (b) Enumerate five replies generally used by prospects in blocking the salesman's presentation. (c) Effectively answer these objections in order that the interview may continue.

#### ANSWER

(a) Excuses are given by prospects merely as a means of terminating the interview. There is no real reason back of an excuse. It is something the prospect grabs at in the course of his natural sales resistance when approached with a proposition. Excuses are general in nature and insincere but must not be treated too lightly. However, it is usually possible to tell from the prospect's manner whether they must be answered or can be ignored.

Objections, on the other hand, are sincere reasons which the prospect advances as to why he does not want the proposition presented to him. They may be divided into two classes (1) fancied, (2) real. An objection must be answered and definitely eliminated. There are four methods of doing this:

1. The head-on method. This does not mean to assume "You are a liar" attitude, but some points must be corrected and in a diplomatic way the underwriter may state wherein the prospect's error lies. 2. The direct return method. Under this system the prospect's objection is used as a boomerang. The sales resisting point is turned into one which is sales assisting. 3. The

indirect return. This is the "Yes, but" method. The underwriter agrees with his prospect as far as possible and then ends the statement with a point which turns it in his favor. 4. The pass-up. Some objections are raised to which no answer is expected or some point is brought up which has no bearing on the subject. These can be overlooked or not answered. If the prospect is told, "We'll come back to that" and it is a point he is in doubt about, it should be answered to his satisfaction. Otherwise it may stick in his mind to such an extent as to kill the sale.

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(b) 1. See me in six months. 2. I'll talk it over with my wife. 3. I don't need any other insurance. 4. I can't afford it. 5. I am single and there is no use in your telling me about life insurance.

(c) 1. Mr. Brown told me that and because of it his widow lost her income. If you can sign a statement that you will be here in six months and in good health then, I'll come back. Otherwise I would think I had done a poor job and feel responsible to your family if I did not fully explain the proposition to you. 2. Your wife leaves other matters to your good business judgment. Let me have ten minutes more of your time and I am sure I can show you that you are the one to decide. 3. Very few men are so fortunate. If you let me go over your insurance program with you, there may be some changes I can suggest which will prove to be of benefit to you. 4. There is nothing to afford. Insurance only costs the man who can not get it. It costs him peace of mind and unhappiness. Your family are the ones who can not afford to be without it. 5. Let me explain the proposition to you fully. Now is the time you should insure when the cost is so low and you are eligible. Later on may be too late and you would regret for the rest of your life that you did not find out about this old age thrift plan.

#### QUESTION 7

What is your concept of a "professional attitude" on the part of a life insurance underwriter?

#### ANSWER

To me the concept of a professional attitude on the part of the underwriter embodies the following factors:

1. An unselfish interest in his prospect. The commission is not the important thing. The prospect's happiness and success are vital. A willingness to render service without compensation is part of an underwriter's duty.

2. An attitude of respect and cooperation toward his fellow-underwriters. It is not professional to try to cut into another fellow's business. The Golden Rule is a good professional measuring rod. And it is true that it pays in the end to play fair with other underwriters.

3. A thorough understanding of his profession. Doctors, lawyers, etc. spend years in preparation for their professional work. If we wish to be placed in the same category with them, we must be as well prepared and posted in our field as they are in theirs. We should be continually students of life insurance if we are to be called professional.

4. Living up to the best standards in his vocation. It is not ethical to rebate,

to twist, and to indulge in other practices, either prohibited by law, or frowned upon by the best men in the business. If we are professional, we will transact all of our business upon the highest plane of ethics.

5. In general, if we truly live up to the best light that is within us, we may say that we hold a professional attitude toward our business. And it is only by such a method that we may expect others outside of our business to consider our service as professional, and to give us the respect that is usually accorded to a profession.

#### QUESTION 8-9

William Akers and George Long are partners owning and operating a small manufacturing plant. The present valuation of the partnership, independent of good will, is \$50,000. Each partner has provided for his personal estate, but no protection, through insurance, has been arranged for the partnership. Akers is 39 and Long is 42. The management of the business is divided between them and the death of either would financially handicap the further development of the business.

Insurance is suggested (1) to permit the surviving partner to replace managerial skill, (2) to make the assets of the partnership liquid to meet an emergency situation and (3) to permit the surviving partner to liquidate the decedent's interest in the partnership. Outline briefly your sales presentation to meet the situation.

#### ANSWER

Gentlemen, as partners in a business, I presume that you weigh carefully the consideration of any matter which may have a direct bearing upon the future development and success of your business venture. We are at present going through a phase of the business cycle in which great emphasis must be placed upon managerial skill and the ability of the executive staff. In your business it is apparent that your personal success is based upon your ability to work together in meeting the problems which develop from time to time. You are both young men with an opportunity to further develop your business substantially. But there is a hazard which confronts both of you which may materially and adversely affect your business and thus directly affect you individually. If death should cut short your plans and program, what provision have you made to protect your reputation, your business, the survivor and your estate? It is apparent that the death of either will jeopardize your position with your competitors, with your clients and patrons, with your creditors and probably with your banks.

\* \* \*

The survivor will immediately have to face the problem of replacing managerial skill, and more particularly of finding someone who will be as congenial and understanding as the decedent. You will have to deal with the widow or executor of the decedent's es-

## Tells How to Get Newspaper Publicity

Miss Chlo Peterson, publicity director for the Business Men's Assurance, gave some practical advice to members of the All-Star club of the B. M. A. in session at Yellowstone Park on how to get publicity in newspapers. She pointed out that to get publicity a man or woman must do something worth getting publicity about.

Something, she said, which deserves publicity is the agent winning a trip to the All-Star convention. If her listeners had not notified their editors about winning this honor and taking the trip, she advised them to pass along that information on their return.

Miss Peterson reported that some agents have sold insurance to their editors and taken their commissions in advertising.

In return for publicity the agent should be on the lookout for news items to pass along to the editor, which are not to the agent's personal advantage.

Winning special prizes or awards, like the all-star trip, is considered legitimate news by many newspapers, Miss Peterson declared. Payment of large or fair sized claims is considered news in many newspaper offices; the agent can often get personal mention by informing the editor of trips out of the city; publicity can be gained by engaging in outstanding civic work, being appointed to committees or elected to offices; the editor

should be informed of visits of home office officials to the agent's city; information, such as statistics about the number of automobile accidents, as found in company's bulletins, is often the basis for publicity.

Miss Peterson advised each agent to adapt his publicity and advertising to his own individuality. A former minister, turned life insurance agent, should be represented by dignified advertising copy, while humorists should have distinctive advertising.

Miss Peterson told of a stunt of an agent who conducted a bean guessing contest at a fair, offering a \$5,000 death and dismemberment policy to the person guessing the exact number, or the one coming closest to the number. Each person making a guess was required to sign his name and address to get a chance on the prize policy, thus providing a good prospect list.

Another speaker at the B. M. A. convention was B. A. Hedges, general field supervisor. He urged the agent to engage in recruiting work and told them that as ground work in this activity they should help to make the company attractive to new men by making themselves attractive. They should become proficient in all phases of life insurance and should strive to be conspicuously successful. A successful man has little difficulty in getting others to follow him, Mr. Hedges declared.

May I submit in further detail, then, the benefits which you will derive from a program of this character and demonstrate to you how a seeming expenditure may become increased income?

#### QUESTION 10

Discuss briefly the influence of the following factors in the selling process: (a) habits; (b) emotions; (c) temperament; (d) personality; (e) dress and appearance; (f) the logical appeal; (g) argument vs. suggestion; (h) tone of voice; (i) desire; (j) the use of a letter of introduction.

#### ANSWER

(a) The habits of an underwriter are important. It is essential to have habits of cheerfulness, thrift and industry. Regular working hours as a habit are needed to produce business steadily. The habits of a prospect are also important and should be noted since people do things to which they are accustomed and are antagonistic to the unfamiliar. As habits influence decisions, the "buying" and "business" habits of the prospect should be known.

(b) Emotions of the prospect when properly aroused by the underwriter, will impel him to act. The motivating appeal is the appeal to emotions. Reason may justify a sale many times over in the mind of the prospect, but few men act on the basis of reason. It re-

quires an appeal to instincts and emotions to secure action.

(c) Temperament. An underwriter should have control of his feelings at all times. He should not allow discouragement to keep him from maintaining a cheerful manner. A man who is so temperamental that he becomes despondent readily has to guard carefully against becoming discouraged and thus, ineffective in his work.

\* \* \*

(d) Personality. A fine personality is a great asset because it enables him to make favorable contacts readily with worth while people in the business and professional world. A pleasing personality attracts people and is invaluable in all of the underwriter's work.

(e) Dress and Appearance. On the part of the underwriter, dress and appearance are most important. He should dress well enough to look well and should avoid extremes and peculiarities that will attract unfavorable attention. His general appearance should be that of a successful business man with a cheerful outlook on life.

(f) The logical appeal has a place in sales presentation though it should not be wholly relied upon. It is good practice to use a logical appeal in order to give the prospect excuses he can use to himself and others to justify buying.

\* \* \*

(g) Argument vs. Suggestion. It is bad practice on the part of the underwriter to argue with the prospect. Where the train of thought can be guided by subtle suggestions rather than by engaging in argument, the ultimate result will be more favorable for the underwriter. Stating truths parenthetically, citing someone with prestige, using analogies, telling stories of cases where insurance has served a purpose are means of creating impressions by indirect suggestions which make a powerful appeal.

(h) Tone of Voice. In an interview the underwriter should use a well modulated tone of voice. It is desirable to avoid disturbing others because it might be embarrassing to the prospect. Sometimes if a prospect is inclined to let his attention wander during an interview the underwriter, by lowering his tone of voice, can make it necessary for the prospect to pay very close attention.

(i) Desire. Regardless of how much a sales presentation may appeal to the prospect's reason, he must have desire before he will buy life insurance. It may be the desire to emulate others, to have more property for selfish reasons, to gain the respect of others, or to have protection from fear of illness or death, but desire must be present in the mind of the prospect before he will buy life insurance.

(j) The use of a letter of introduction. A letter of introduction will usually get favorable attention from the prospect long enough for the underwriter to introduce his subject. After that the proposal must be sold on its own merits.

(CONTINUED IN NEXT ISSUE)

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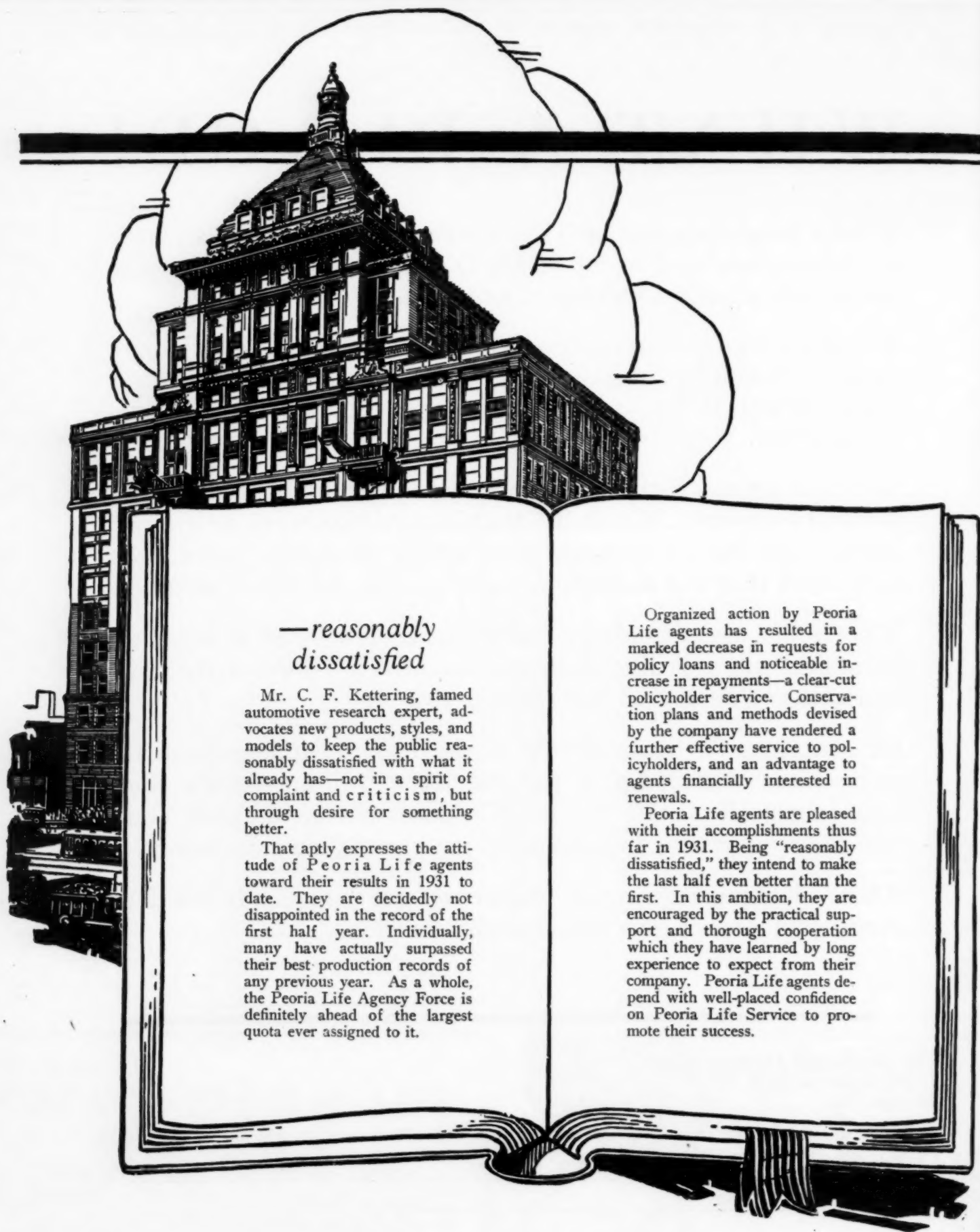
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*—reasonably  
dissatisfied*

Mr. C. F. Kettering, famed automotive research expert, advocates new products, styles, and models to keep the public reasonably dissatisfied with what it already has—not in a spirit of complaint and criticism, but through desire for something better.

That aptly expresses the attitude of Peoria Life agents toward their results in 1931 to date. They are decidedly not disappointed in the record of the first half year. Individually, many have actually surpassed their best production records of any previous year. As a whole, the Peoria Life Agency Force is definitely ahead of the largest quota ever assigned to it.

Organized action by Peoria Life agents has resulted in a marked decrease in requests for policy loans and noticeable increase in repayments—a clear-cut policyholder service. Conservation plans and methods devised by the company have rendered a further effective service to policyholders, and an advantage to agents financially interested in renewals.

Peoria Life agents are pleased with their accomplishments thus far in 1931. Being “reasonably dissatisfied,” they intend to make the last half even better than the first. In this ambition, they are encouraged by the practical support and thorough cooperation which they have learned by long experience to expect from their company. Peoria Life agents depend with well-placed confidence on Peoria Life Service to promote their success.

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